Finance
Special Operating Agencies Financing Authority

Annual Report
2005-2006

Manitoba

Finances
Office de financement
des organismes de service spécial

Rapport annuel
2005-2006

Manitoba

2007-01514/

MINISTER OF
FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

His Honour the Honourable John Harvard, P.C., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, Manitoba
R3C 0V8

May It Please Your Honour:

I have the privilege of presenting for the information of Your Honour the Fourteenth Annual Report of the Special Operating Agencies Financing Authority for the fiscal year ended March 31, 2006.

Respectfully submitted,

Honourable Greg Selinger
Minister

MINISTER OF
FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

À son Honneur
L'honorable John Harvard, P.C., O.M.
Lieutenant-gouverneur du Manitoba
Palais législatif, bureau 235
Winnipeg (Manitoba) R3C OV8

Monsieur le Lieutenant-gouverneur,

J'ai le privilège de présenter à Votre Honneur, à titre d'information, le quatorzième rapport annuel de l'Office de financement des organismes de service spécial pour l'exercice terminé le 31 mars 2006.

Je vous prie d'agréer, Monsieur le Lieutenant-gouverneur, l'expression de mon profond respect.

Le ministre des Finances,

Greg Selinger

Manitoba

Treasury Board Secretariat
200 - 386 Broadway, Winnipeg, Manitoba R3C 3R6
T 204 945-4150 F 204 945-4878
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Honourable Greg Selinger
Minister of Finance
Room 103, Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Minister:

I have the honour to submit for your consideration the Fourteenth Annual Report of the Special Operating Agencies Financing Authority for the fiscal year ended March 31, 2006.

Respectfully submitted,

Wayne McIntosh

Wayne McIntosh
Acting Chairperson,
Special Operating Agencies Financing Authority

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The Special Operating Agencies Initiative

The Province of Manitoba adopted Special Operating Agencies (SOAs) as a program delivery and financing option in 1992. SOAs are service operations within government granted more direct responsibility for results and increased management flexibility needed to reach new levels of performance. Through strengthened accountability to their Minister and central government, they can improve the delivery of services by:

- ensuring operations are clearly defined and well understood;
- setting demanding performance goals and developing strategies for attaining them;
- applying the best public sector management practices; and
- monitoring performance to ensure continuous progress toward goals.

The aim of SOAs is to give greater authority and scope to managers and employees to encourage initiative, enhance service, and reduce the cost of government. Service and management improvements are built on pride in the capabilities and dedication of the professional Civil Service. The ultimate success of SOAs depends on people and the enthusiasm they bring to the job.

SOAs exist along an organizational continuum between a government department and a Crown corporation. Candidates can be direct public services, internal services to government, science and technology services, or regulatory and enforcement programs. In addition to accounting fully for their operations, they must be dedicated to improving service quality and efficiency.

L'initiative relative aux organismes de service spécial

En 1992, la province du Manitoba a adopté les organismes de service spécial (OSS) à titre d'option de financement et de prestation de programmes. Les OSS, qui assurent un soutien logistique au sein du gouvernement, ont des responsabilités plus directes en ce qui concerne les résultats et une plus grande souplesse de gestion nécessaire pour atteindre de nouveaux niveaux de rendement. Moyennant une responsabilité accrue à l'égard de leur Ministre et du gouvernement central, ils peuvent améliorer la prestation des services :

- en veillant à ce que les activités soient clairement définies et bien comprises;
- en se fixant des objectifs de rendement élevés et en élaborant des stratégies pour les atteindre;
- en appliquant les meilleures pratiques de gestion du secteur public;
- en surveillant le rendement afin de garantir une progression continue vers les objectifs.

Les OSS ont pour but d'élargir le pouvoir et la portée des gestionnaires et des employés afin d'encourager l'initiative, d'améliorer les services et de réduire le coût de l'administration publique. L'amélioration des services et de la gestion repose sur la fierté des capacités et le dévouement d'une fonction publique professionnelle. Le succès des OSS dépend, en définitive, des personnes et de leur enthousiasme au travail.

Dans le continuum organisationnel, les OSS se situent entre les ministères et les sociétés d'État. Les candidats peuvent être des services publics directs, des services internes du gouvernement, des services scientifiques et technologiques ou des programmes de réglementation et d'application de la loi. En plus de rendre totalement compte de leurs activités, ils doivent constamment s'efforcer d'améliorer la qualité et l'efficacité du service.

The Fleet Vehicles Agency was established as the first SOA in Manitoba and at the provincial level in Canada. The complement of SOAs in operation during the fiscal year ended March 31, 2006 was sixteen, representing $142.9 million in business for government. The schedule of SOAs follows.

L'Organisme chargé des véhicules gouvernementaux a été le premier OSS créé au Manitoba et au palier provincial au Canada. Au cours de l'exercice terminé le 31 mars 2006, le Manitoba comptait seize OSS qui représentaient 142,9 millions de dollars en chiffre d'affaires pour le gouvernement. Voici l'ordre chronologique de la création des OSS manitobains.

MANITOBA'S 16 SPECIAL OPERATING AGENCIES

1992/93
Fleet Vehicles Agency

1993/94
Materials Distribution Agency

1994/95
Organization and Staff Development
Vital Statistics Agency

1995/96
Civil Legal Services
MERLIN
Land Management Services
Pineland Forest Nursery

1996/97
Companies Office
Manitoba Text Book Bureau
Industrial Technology Centre
The Public Trustee
Office of the Fire Commissioner
Food Development Centre

1997/98
The Property Registry

1999/2000
Manitoba Securities Commission

LES 16 ORGANISMES DE SERVICE SPÉCIAL DU MANITOBA

1992-1993
Organisme chargé des véhicules gouvernementaux

1993-1994
Organisme chargé de la distribution du matériel

1994-1995
Organisme chargé du perfectionnement et de la formation
Bureau de l'état civil

1995-1996
Bureau du contentieux civil
MERLIN
Services de gestion foncière
Pépinière de la forêt de Pineland

1996-1997
Office des compagnies
Centre des manuels scolaires du Manitoba
Centre de technologie industrielle
Curateur public
Bureau du commissaire aux incendies
Centre de développement des produits alimentaires

1997-1998
Office d'enregistrement des titres et des instruments

1999-2000
Commission des valeurs mobilières du Manitoba

The Province continues to refine the SOA concept. Additional agencies will be considered in future years based on priority and acceptability.

Other governments view Manitoba's initiative as a model for their operations. SOAs are seen as a practical, enterprising response to the very difficult fiscal and service delivery challenges facing government today.

La province continue d'améliorer le concept des OSS. D'autres organismes seront envisagés dans les années à venir, selon les priorités et l'acceptabilité.

D'autres gouvernements regardent l'initiative du Manitoba afin de s'en inspirer. Les OSS sont considérés comme étant une réponse pratique et dynamique aux défis très délicats sur le plan financier et sur celui de la prestation de services que le gouvernement doit relever aujourd'hui.

The Special Operating Agencies Financing Authority

The SOA Financing Authority was established April 1, 1992 under authority of ***The Special Operating Agencies Financing Authority Act.*** The Financing Authority and its Chairperson operate under the direction of the Minister of Finance. Treasury Board acts as the primary decision-making body, while the Department of Finance and Treasury Board Secretariat supply staff support.

The Financing Authority provides a mechanism for funding SOAs outside the parameters of the Consolidated Fund. It holds and acquires assets associated with SOA operations and finances SOAs through contributed equity, repayable loans, and working capital advances. This financial framework enables SOAs to operate in a business-like way within government policy expectations.

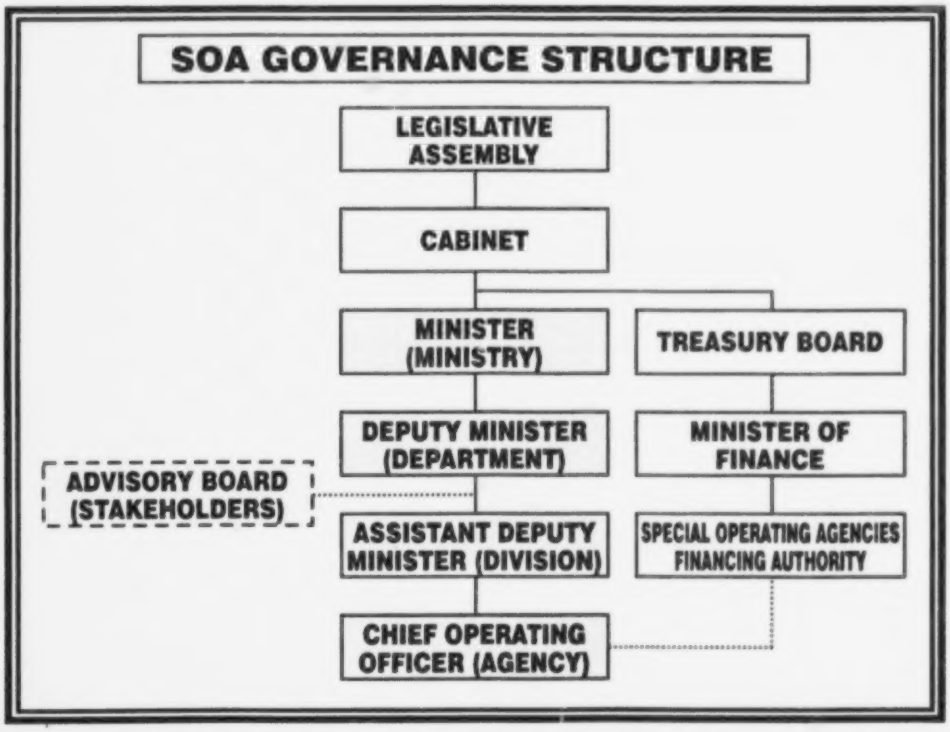
Each agency has an operating charter and management agreement that outlines its individual governance and administrative arrangements. Accountability is assured through annual business plans, audits, and reports forwarded through its advisory board to the Financing Authority. In turn, the Financing Authority is audited and submits an annual report on overall SOA operations to the Minister of Finance for tabling in the Legislature. The governance structure is depicted below.

L'Office de financement des organismes de service spécial

L'Office de financement des OSS a été créé le 1er avril 1992 en vertu de la ***Loi sur l'Office de financement des organismes de service spécial.*** L'Office de financement et son président agissent sous la direction du ministre des Finances. Le Conseil du Trésor est le principal organe décisionnel, tandis que le ministère des Finances et le Secrétariat du Conseil du Trésor fournissent le personnel auxiliaire.

L'Office de financement permet de financer les OSS en dehors des paramètres du Fonds consolidé. Il détient et acquiert des actifs liés aux activités des OSS, qu'il finance par le biais de capitaux d'apport, de prêts remboursables et d'avances de fonds de roulement. Ce cadre financier permet aux OSS de fonctionner comme des entreprises tout en respectant les attentes politiques du gouvernement.

Chaque organisme a une charte et un accord de gestion qui exposent sa régie et les dispositions administratives le concernant. La responsabilité est assurée par des plans d'activités, des vérifications et des rapports annuels qui sont transmis à l'Office de financement par l'intermédiaire du conseil consultatif de chacun. L'Office de financement lui-même fait l'objet d'une vérification et remet un rapport annuel sur les activités globales des OSS au ministre des Finances, qui le déposera à l'Assemblée législative. La structure de régie est présentée ci-dessous.


SOA GOVERNANCE STRUCTURE
LEGISLATIVE ASSEMBLY
CABINET
MINISTER (MINISTRY)
TREASURY BOARD
DEPUTY MINISTER (DEPARTMENT)
MINISTER OF FINANCE
ADVISORY BOARD (STAKEHOLDERS)
ASSISTANT DEPUTY MINISTER (DIVISION)
SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
CHIEF OPERATING OFFICER (AGENCY)

The Chairperson of the Financing Authority is also the SOA Coordinator, who reports to the Manager of Fiscal Planning position in Treasury Board Secretariat. The mission is:

> *To provide corporate leadership, direction, and coordination of the Special Operating Agencies reform initiative, with a view to continuously improving the quality of management and services across the Manitoba Government.*

The position is responsible for coordinating the planning, design, implementation, and evaluation of SOAs.

The incumbent devotes time to the governance role as Chairperson and sole member comprising the Financing Authority. In this capacity, the incumbent oversees and manages the Financing Authority's affairs in compliance with statutory, policy, and management requirements. Much of this work concerns final approvals leading to start-up of new SOAs, as well as ongoing accountability requirements for established SOAs.

The Department of Finance and Treasury Board Secretariat provide for the Chairperson's/Coordinator's basic salary, benefits, and operating costs in support of this corporate initiative. In addition, SOAs are assessed an annual levy to fund identifiable expenses associated with Financing Authority operations. The levy is prorated against the Financing Authority's annual budget based on each SOA's projected gross revenue.

Le président de l'Office de financement est également coordonnateur des OSS et il relève du gestionnaire de la planification budgétaire du Secrétariat du Conseil du Trésor. Il a pour mission de :

> *Fournir une orientation, une coordination et un leadership généraux dans l'initiative de réforme des organismes de service spécial, l'objectif étant d'améliorer constamment la qualité de la gestion et des services dans tout le gouvernement du Manitoba.*

Le président est chargé de coordonner la planification, la conception, la mise en œuvre et l'évaluation des OSS.

Le titulaire consacre du temps au rôle de gestion en sa qualité de président et de membre unique de l'Office de financement. À ce titre, il supervise et gère les affaires de l'Office de financement conformément aux exigences réglementaires, politiques et de gestion. Une bonne partie de son travail concerne les approbations finales conduisant à la création de nouveaux OSS ainsi que les obligations redditionnelles des OSS existants.

Le ministère des Finances et le Secrétariat du Conseil du Trésor fournissent le salaire de base, les avantages sociaux et les coûts de fonctionnement du président/coordonnateur, en appui à cette initiative collective. De plus, une contribution annuelle est prélevée sur les OSS pour financer les dépenses identifiables liées aux activités de l'Office de financement. La contribution est calculée au prorata, par rapport au budget annuel de l'Office de financement, en se fondant sur le revenu brut prévisionnel des OSS.

2005/06 Operations

The operations of the Financing Authority for the fiscal year ended March 31, 2006 were limited to the operations and financial results of the sixteen SOAs. The auditors' opinions and related management reports are included with the agencies' financial statements as an appendix to this report.

Financial Highlights

- Transfer of $18,070,000 (2005 - $17,975,000) in designated surpluses to the Consolidated Fund on behalf of the Fleet Vehicles Agency ($1,500,000), Materials Distribution Agency ($400,000), Vital Statistics Agency ($140,000), Civil Legal Services ($250,000), Land Management Services ($250,000), Companies Office ($1,615,000), The Property Registry ($6,915,000), and Manitoba Securities Commission ($7,000,000).

- Aggregate authority of up to $21,370,000 (2005 - $20,370,000) in working capital advances at any one time, $7,853,000 (2005 - $7,099,000) of which was utilized at fiscal year-end.

- Increase of $3,705,000 (2005 - $835,000 decrease) in the balance of retained earnings to $39,369,000 (2005 - $35,664,000).

Activités pendant l'exercice 2005-2006

Pendant l'exercice qui s'est terminé le 31 mars 2006, les activités de l'Office de financement se sont limitées aux activités et aux résultats financiers des seize OSS. Les avis des vérificateurs et les rapports de gestion connexes sont joints aux états financiers des organismes en annexe au présent rapport.

Faits saillants financiers

- Transfert de 18 070 000 $ (2005 – 17 975 000 $), à titre de surplus désignés, au Fonds consolidé, au nom de l'Organisme chargé des véhicules gouvernementaux (1 500 000 $), de l'Organisme chargé de la distribution du matériel (400 000 $), du Bureau de l'état civil (140 000 $), du Bureau du contentieux civil (250 000 $), des Services de gestion foncière (250 000 $), de l'Office des compagnies (1 615 000 $), de l'Office d'enregistrement des titres et des instruments (6 9150 000 $) et de la Commission des valeurs mobilières du Manitoba (7 000 000 $).

- Pouvoir global de 21 370 000 $ (2005 – 20 370 000 $) en avances de fonds de roulement à tout moment, dont 7 853 000 $ (2005 – 7 099 000 $) avaient été utilisés à la fin de l'exercice.

- Augmentation de 3 705 000 $ (baisse de 835 000 $ en 2005) du solde des bénéfices non répartis pour arriver à 39 369 000 $ (comparativement à 35 664 000 $ en 2005).

Preparations for New Agencies and Subsequent Events

During 2005/06, the Province of Manitoba approved the establishment of a special operating agency to be known as the Crown Lands and Property Agency which represents consolidation of the Land Management Services agency with the Lands Branch, the Park Districts Records Unit and Agricultural Crown Lands Program of the Department of Transportation and Government Services, effective April 1, 2006. The Crown Lands and Property Agency will report under the Department of Transportation and Government Services.

Further, the Province of Manitoba approved special operating agency status effective April 1, 2006 for Green Manitoba Eco Solutions (formerly a program of the Department of Energy, Science and Technology), reporting under the Department of Energy, Science and Technology.

Accomplishments

In the past year, the Acting Chairperson/Coordinator:

- delivered Briefings related to the SOA Initiative;
- prepared and issued the 2004/05 Financing Authority annual report;
- invited and evaluated competitive proposals from public accounting firms for the procurement of audit services with respect to Civil Legal Services for a five-year period commencing March 31, 2006;
- extended the term of appointment for the external auditors of Land Management Services by one additional year as tendering for a one-year period was not cost-beneficial;
- completed work to enable the establishment of the Crown Lands and Property Agency, and Green Manitoba Eco Solutions, effective April 1, 2006.

Préparations pour de nouveaux organismes et des manifestations ultérieures

Au cours de l'exercice 2005-2006, la Province du Manitoba a approuvé l'établissement d'un organisme de service spécial à être connu sous le nom de Terres domaniales et acquisition foncière, ce qui représente le regroupement des Services de gestion foncière, de la Direction des terres domaniales, de la Section des dossiers de districts et du Programme des terres domaniales agricoles du ministère des Transports et des Services gouvernementaux, en vigueur à partir du 1er avril 2006. Terres domaniales et acquisition foncière relèvera du ministère des Transports et des Services gouvernementaux.

En outre, la Province du Manitoba a attribué le statut d'organisme de service spécial au Bureau des solutions écologiques pour un Manitoba vert (anciennement un programme du ministère de l'Énergie, des Sciences et de la Technologie), qui relèvera du ministère de l'Énergie, des Sciences et de la Technologie. Ce statut est en vigueur à partir du 1er avril 2006.

Réalisations

Au cours de l'année écoulée, le président/coordonnateur par intérim :

- a présenté des séances d'information ayant trait à l'Initiative relative aux organismes de service spécial;
- a préparé et publié le rapport annuel 2004-2005 de l'Office de financement;
- a lancé un appel de propositions concurrentielles auprès de cabinets d'experts-comptables et a évalué les propositions soumises en vue de retenir les services de vérification d'un cabinet à l'intention du Bureau du contentieux civil, et ce, pour une période de cinq ans débutant le 31 mars 2006;
- a prolongé d'une année supplémentaire le mandat des vérificateurs externes des Services de gestion foncière étant donné que l'utilisation du processus d'appel d'offres pour une période d'un an n'était pas efficace en termes de coûts;
- a terminé le travail nécessaire pour l'établissement de Terres domaniales et acquisition foncière et du Bureau des solutions écologiques pour un Manitoba vert, en vigueur à partir du 1er avril 2006.

- contributed to the Treasury Board Secretariat business plan review process;
- contributed to the Information and Communications Technology Restructuring Initiative; and
- contributed to the Summary Budgeting and Reporting exercise.

- a participé au processus d'examen des plans d'affaires par le Secrétariat du Conseil du Trésor;
- a contribué à l'Initiative de restructuration des technologies de l'information et des communications; et
- a contribué à la production d'états récapitulatifs et de budgets sommaires.

2006/07 Plans

In the coming year, the Acting Chairperson/Coordinator will:

- examine the financial viability of service operations within departments for potential alternative service delivery in 2007/08 or subsequent start-up;
- deliver Briefings related to the SOA Initiative;
- prepare and issue the 2005/06 Financing Authority annual report;
- invite and evaluate competitive proposals from public accounting firms for the procurement of audit services with respect to the Industrial Technology Centre, Pineland Forest Nursery, Office of the Fire Commissioner, Companies Office, and Food Development Centre for a five-year period commencing March 31, 2007;
- contribute to the Treasury Board Secretariat business plan review process;
- contribute to the Information and Communications Technology Restructuring Initiative; and
- contribute to the Summary Budgeting and Reporting exercise.

Plans pour l'exercice 2006-2007

Au cours de l'année à venir, le président/coordonnateur par intérim :

- examinera la viabilité financière de services au sein des ministères en vue d'une éventuelle utilisation d'un autre modèle de prestation de services en 2007-2008 ou plus tard;
- présentera des séances d'information ayant trait à l'Initiative relative aux organismes de service spécial;
- préparera et publiera le rapport annuel 2005-2006 de l'Office de financement;
- lancera un appel de propositions concurrentielles auprès de cabinets d'expert-comptables et évaluera les propositions soumises en vue de retenir les services de vérification d'un cabinet à l'intention du Centre de technologie industrielle, de la pépinière forestière Pineland, du Bureau du commissaire aux incendies, de l'Office des compagnies et du Centre de développement de produits alimentaires, et ce, pour une période de cinq ans débutant le 31 mars 2007;
- participera au processus d'examen des plans d'affaires par le Secrétariat du Conseil du Trésor;
- contribuera à l'Initiative de restructuration des technologies de l'information et des communications; et
- contribuera à la production d'états récapitulatifs et de budgets sommaires.

Agency Results through 2005/06

The following pages profile the operations and performance of the sixteen SOAs operating during the 2005/06 fiscal year. The agencies' 2005/06 annual reports should be consulted for further information.

Combined financial results:

- 20.7% ($31.7 million) cost-savings to government in 2005/06
- 77% ($62.2 million) growth in revenues through 2005/06
- 329% ($94.7 million) growth in assets through 2005/06
- 100% ($10.972 million) repayment of original long-term debt owing to the Province by 2004/05
- 228% ($40 million) return on Manitoba's contributed equity through 2005/06
- $127.4 million in surpluses committed to the provincial treasury through 2006/07.

Private sector economic development:

- 4,550 employment opportunities through 2005/06
- $211.9 million impact on private sector salaries, sales, R&D, cost-savings, and investment through 2005/06.

Improved service (averaged across SOAs reporting relevant metrics):

- 99% on-time response to client requests in 2005/06
- 42.8% increase in service volume through 2005/06
- 97% client/stakeholder satisfaction in 2005/06.

Résultats des organismes jusqu'à l'exercice 2005-2006

Les pages suivantes établissent le profil des activités et des résultats des seize OSS opérationnels durant l'exercice 2005-2006. Pour plus de détails, veuillez consulter les rapports annuels des organismes pour l'exercice 2005-2006.

Résultats financiers combinés :

- 20,7 % (31,7 millions de dollars) d'économies pour le gouvernement pendant l'exercice 2005-2006
- 77 % (62,2 millions de dollars) de croissance des recettes jusqu'à l'exercice 2005-2006
- 329 % (94,7 millions de dollars) de croissance de l'actif jusqu'à l'exercice 2005-2006
- 100 % (10,972 millions de dollars) de remboursement de la dette à long terme initiale à l'égard de la province jusqu'à l'exercice 2004-2005 (remboursement terminé)
- 228 % (40 millions de dollars) de rendement sur le capital d'apport du Manitoba jusqu'à l'exercice 2005-2006
- 127,4 millions de dollars d'excédents versés au Trésor provincial jusqu'à l'exercice 2006-2007.

Développement économique du secteur privé :

- 4 550 possibilités d'emploi jusqu'à l'exercice 2005-2006
- 211,9 millions de dollars en ventes, R-D, économies et investissements courants et futurs jusqu'à l'exercice 2005-2006.

Amélioration du service (en moyenne des OSS qui transmettent les paramètres pertinents) :

- 99 % de ponctualité dans les réponses aux demandes de renseignements des clients pendant l'exercice 2005-2006
- 42,8 % d'augmentation du volume de services jusqu'à l'exercice 2005-2006
- 97 % de satisfaction des clients et des personnes intéressées pendant l'exercice 2005-2006.

SOA · OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Fleet Vehicles Agency	Transportation and Government Services	Dennis Ducharme Chief Operating Officer 626 Henry Avenue Winnipeg, MB R3A 1P7 (204) 945-3680 (204) 957-1109 (fax) dducharme@gov.mb.ca www.fva.gov.mb.ca French Language Services: Derek Boutang (204) 945-4326 deboutang@gov.mb.ca	April 1, 1992	To provide complete vehicle and equipment management services for the Manitoba Government and broader public sector.
Organisme chargé des véhicules gouvernementaux	Voirie et Services gouvernementaux	Dennis Ducharme Directeur général 626, avenue Henry Winnipeg (Manitoba) R3A 1P7 204 945-3680 204 957-1109 (télécopieur) dducharme@gov.mb.ca www.fva.gov.mb.ca Services en français : Derek Boutang 204 945-4326 deboutang@gov.mb.ca	1er avril 1992	Fournir des services complets de gestion de l'équipement et des véhicules au gouvernement du Manitoba et au secteur public en général.
Materials Distribution Agency	Transportation and Government Services	Susan Boulter Chief Operating Officer #7 – 1715 St. James Street Winnipeg, MB R3H 1H3 (204) 945-6043 (204) 948-2737 (fax) sboulter@gov.mb.ca French Language Services: Peter Roberts (204) 945-0391 proberts@gov.mb.ca	April 1, 1993	To provide mail and material management services for the Manitoba Government and broader public sector.
Organisme chargé de la distribution du matériel	Voirie et Services gouvernementaux	Susan Boulter Directrice générale 1715, rue St. James, bureau 7 Winnipeg (Manitoba) R3H 1H3 204 945-6043 204 948-2737 (télécopieur) sboulter@gov.mb.ca Services en français : Peter Roberts 204 945-0391 proberts@gov.mb.ca	1er avril 1993	Fournir des services complets de gestion du matériel et du courrier au gouvernement du Manitoba et au secteur public en général.

Staff (FTE) Personnel (ETP)	2005/06 Financial Results ($000) Résultats financiers en 2005-2006 (en milliers de dollars)			Key Results through 2005/06 Principaux résultats obtenus jusqu'à l'exercice 2005-2006
		Actual Réels	Budget Budget	
61	Revenue	35,026	31,617	• 9% average annual return on revenue over 14 years • $8.2 million long-term debt retired fifteen years ahead of schedule • launched ambulance replacement and management program in 2001/02 with139 ambulances now leased to Manitoba Health for use by the Regional Health Authorities • >90% productivity on shop floor for maintenance and repairs • <1% client comeback rate • 100% client retention following conversion to optional services in 1996 • > 75% staff labour efficiency rate for Radio Services
	Expenses	(32,431)	(30,049)	
	Net Income (Loss)	2,595	1,568	
	Revenue Sharing	(1,500)	(1,500)	
	Retained Earnings	14,459	13,432	
61	Recettes	35 026	31 617	• 9 % de rendement moyen annuel sur les recettes sur une période de 14 ans • 8,2 millions de dollars de dettes à long terme remboursées avec 15 ans d'avance sur l'échéancier • lancement d'un programme de remplacement et d'entretien des ambulances en 2001-2002; 139 ambulances sont présentement louées à bail par Santé Manitoba à l'intention des offices régionaux de la santé • >90 % de productivité dans les ateliers pour l'entretien et les réparations • <1% des clients sont insatisfaits • 100 % des clients conservés après la conversion aux services facultatifs, en 1996 • > 75 % de rendement de la main-d'œuvre pour ce qui est du personnel des Services de radiocommunication
	Dépenses	(32 431)	(30 049)	
	Résultat net (Perte)	2 595	1 568	
	Partage des recettes	(1 500)	(1 500)	
	Bénéfices non répartis	14 459	13 432	
78.5	Revenue	23,040	22,118	• $732,200 original and $513,600 subsequent long-term debt retired six and three years ahead of schedule, respectively • Met turnaround time for first attempt deliveries 99.8% of time in 2005/06 • 99% supply of in-stock items • over $1,000,000 cost-saving from courier contract administration • $61,000 cost-saving from ad-mail incentive mailings • >99% on-time completion of mail processing and finishing projects
	Expenses	(23,054)	(22,224)	
	Net Income (Loss)	(14)	(106)	
	Revenue Sharing	(400)	(400)	
	Retained Earnings	3,561	3,469	
78.5	Recettes	23 040	22 118	• 732 200 $ de dettes originales et 513 600 $ de dettes ultérieures à long terme remboursées avec six et trois ans d'avance sur l'échéancier, respectivement • Délais d'exécution respectés 99,8 % du temps pour les premières tentatives de livraison en 2005-2006 • 99 % de fourniture d'articles en stock • plus de 1 000 000 $ d'économies dans la gestion du contrat de messagerie • 61 000 $ d'économies dans les envois postaux publicitaires • >99 % d'exécution ponctuelle des projets de traitement et de préparation du courrier
	Dépenses	(23 054)	(22 224)	
	Résultat net (Perte)	(14)	(106)	
	Partage des recettes	(400)	(400)	
	Bénéfices non répartis	3 561	3 469	

SOA - OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Organization and Staff Development	Civil Service Commission	Edna Dickson Director 935 - 155 Carlton Street Winnipeg, MB R3C 3H8 (204) 945-3189 (204) 948-2165 (fax) edickson@gov.mb.ca www.gov.mb.ca/csc/osd French Language Services: Diane Netzel (204) 945-2276 dnetzel@gov.mb.ca	April 1, 1994	To provide training and consulting services that support implementation of corporate human resource priorities and that improve organization effectiveness in the Manitoba Government and broader public sector.
Organisme chargé du perfectionnement et de la formation	Commission de la fonction publique	Edna Dickson Directrice 155, rue Carlton, bureau 935 Winnipeg (Manitoba) R3C 3H8 204 945-3189 204 948-2165 (télécopieur) edickson@gov.mb.ca www.gov.mb.ca/csc/osd Services en français : Diane Netzel 204 945-2276 dnetzel@gov.mb.ca	1er avril 1994	Fournir des services de formation et de conseils en appui à la mise en œuvre des priorités en matière de ressources humaines ministérielles et de façon à améliorer l'efficacité organisationnelle du gouvernement du Manitoba et du secteur public en général.
Vital Statistics Agency	Finance	Caroline Kaus Director 254 Portage Avenue Winnipeg, MB R3C 0B6 (204) 945-8178 (204) 945-0424 (fax) ckaus@gov.mb.ca French Language Services: Doreen Payette (204) 945-5500 dpayette @gov.mb.ca	April 1, 1994	To register and issue certificates for all vital events occurring in Manitoba, including births, marriages, deaths, stillbirths, and changes of name.
Bureau de l'état civil	Finances	Caroline Kaus Directrice 254, avenue Portage Winnipeg (Manitoba) R3C 0B6 204 945-8178 204 945-0424 (télécopieur) ckaus@gov.mb.ca Services en français : Doreen Payette 204 945-5500 dpayette@gov.mb.ca	1er avril 1994	Enregistrer et délivrer des certificats pour tous les événements démographiques qui surviennent au Manitoba, y compris les naissances, les mariages, les décès, les enfants morts-nés et les changements de nom.

Staff (FTE) Personnel (ETP)	2005/06 Financial Results ($000) Résultats financiers en 2005-2006 (en milliers de dollars)			Key Results through 2005/06 Principaux résultats obtenus jusqu'à l'exercice 2005-2006
		Actual Réels	Budget Budget	
8	Revenue	1,565	1,238	• 18% increase in the number of participants attending OSD Guide workshops • 21% increase in participant per class average for Guide workshops • 10% decrease in the number of Guide workshops delivered • 44% increase in the number of participants in OSD Guide workshops delivered in rural areas • 6% decrease in the number of customized workshops delivered • 25% increase in customized workshops delivered in rural areas • 27% decrease in the number of participants in customized workshops • 4% increase in the number of corporately sponsored customized workshops delivered
	Expenses	(1,465)	(1,245)	
	Net Income (Loss)	100	(7)	
	Retained Earnings	461	354	
8	Recettes	1 565	1 238	• 18 % d'augmentation du nombre de participants aux ateliers présentés selon le guide de l'OSD • 21 % d'augmentation du nombre moyen de participants par classe aux ateliers présentés selon le guide • 10 % de baisse du nombre d'ateliers présentés selon le guide • 44 % d'augmentation du nombre de participants aux ateliers présentés selon le guide de l'OSD en zone rurale • 6 % de baisse du nombre d'ateliers adaptés qui ont été présentés • 25 % d'augmentation du nombre d'ateliers adaptés qui ont été présentés en zone rurale • 27 % de baisse du nombre de participants aux ateliers adaptés • 4 % d'augmentation du nombre d'ateliers d'entreprise adaptés qui ont été présentés
	Dépenses	(1 465)	(1 245)	
	Résultat net (Perte)	100	(7)	
	Bénéfices non répartis	461	354	
37.0	Revenue	3,043	2,955	• 99% immediate response to clients on status of service applications in 2005/06 • 100% conversion of irreplaceable vital events records to microfilm • 66% cumulative volume increase through 2005/06
	Expenses	(2,796)	(2,875)	
	Net Income (Loss)	247	80	
	Revenue Sharing	(140)	(140)	
	Retained Earnings	1,068	901	
37,0	Recettes	3 043	2 955	• 99% de réponses immédiates aux clients sur l'état des demandes de service en 2005-2006 • 100 % de conversion sur microfilm des enregistrements des données de l'état civil irremplaçables • 66 % de hausse du volume cumulatif au cours de 2005-2006
	Dépenses	(2 796)	(2 875)	
	Résultat net (Perte)	247	80	
	Partage des recettes	(140)	(140)	
	Bénéfices non répartis	1 068	901	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Civil Legal Services	Justice	C. Lynn Romeo Acting Director 730 - 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2845 (204) 948-2041 (fax) lromeo@gov.mb.ca French Language Services: T. David Gisser (204) 945-0243 dgisser@gov.mb.ca	April 1, 1995	To provide legal services that meet the needs of the Manitoba Government and its agencies, boards, commissions, and Crown corporations.
Bureau du contentieux civil	Justice	C. Lynn Romeo Directrice par intérim 405 Broadway, bureau 730 Winnipeg (Manitoba) R3C 3L6 204 945-2845 204 948-2041 (télécopieur) lromeo@gov.mb.ca Services en français : T. David Gisser 204 945-0243 dgisser@gov.mb.ca	1^{er} avril 1995	Fournir des services juridiques qui répondent aux besoins du gouvernement du Manitoba et de ses organismes, conseils, commissions et sociétés de la Couronne.
Manitoba Education, Research and Learning Information Networks (MERLIN)	Energy, Science and Technology	Cathy Ackland Acting Chief Operating Officer Room 137 Education Building University of Manitoba Winnipeg, MB R3T 2N2 (204) 474-7806 (204) 474-7830 (fax) cackland@merlin.mb.ca www.merlin.mb.ca French Language Services: Colette Lafond-D'Heilly (204) 474-7805 cdheilly@merlin.mb.ca	April 1, 1995	To support the use of technology in improving education services to learners.
Réseaux informatiques en apprentissage et en recherche pédagogique du Manitoba (MERLIN)	Énergie, Sciences et Technologie	Cathy Ackland Directrice générale par intérim Édifice Éducation, bureau 137 Université du Manitoba Winnipeg (Manitoba) R3T 2N2 204 474-7806 204 474-7830 (télécopieur) cackland@merlin.mb.ca www.merlin.mb.ca Services en français : Colette Lafond-D'Heilly 204 474-7805 cdheilly@merlin.mb.ca	1^{er} avril 1995	Appuyer l'utilisation de la technologie dans le but d'améliorer les services offerts aux apprenants en matière d'éducation.

Staff (FTE) Personnel (ETP)	2005/06 Financial Results ($000) Résultats financiers en 2005-2006 (en milliers de dollars)			Key Results through 2005/06 Principaux résultats obtenus jusqu'à l'exercice 2005-2006
		Actual Réels	Budget Budget	
58	Revenue	5,424	5,442	• $5.4 million cost-saving to government in 2006 • 98% client satisfaction rating in 2006
	Expenses	(4,968)	(5,305)	
	Net Income (Loss)	456	137	
	Revenue Sharing	(250)	(200)	
	Retained Earnings	913	644	
58	Recettes	5 424	5 442	• 5,4 millions de dollars d'économies pour le gouvernement en 2006 • 98 % de satisfaction de la clientèle en 2006
	Dépenses	(4 968)	(5 305)	
	Résultat net (Perte)	456	137	
	Partage des recettes	(250)	(200)	
	Bénéfices non répartis	913	644	
16	Revenue	2,623	2,977	• $439,652 cost-saving to education sector for audio conferencing and software licensing in 2005/06
	Expenses	(2,581)	(2,977)	
	Net Income (Loss)	42	-	
	Accumulated Deficit	(315)	(357)	
16	Recettes	2 623	2 977	• 439 652 $ d'économies pour le secteur de l'éducation pour les conférences téléphoniques et les permis d'utilisation de logiciels en 2005-2006
	Dépenses	(2 581)	(2 977)	
	Résultat net (Perte)	42	-	
	Déficit accumulé	(315)	(357)	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Land Management Services	Transportation and Government Services	Rae Csversko Chief Operating Officer 308 – 25 Tupper Street North Portage la Prairie, MB R1N 3K1 (204) 239-3561 (204) 239-3560 (fax) rcsversko@gov.mb.ca www.landmgmt.gov.mb.ca French Language Services: Aurel Pantel (204) 871-0780 apantel@gov.mb.ca	April 1, 1995	To provide comprehensive land management services to various levels of governments, departments, boards, corporations, agencies and clients.
Services de gestion foncière	Voirie et Services gouvernementaux	Rae Csversko Directeur général 25, rue Tupper Nord, bureau 308 Portage-la-Prairie (Manitoba) R1N 3K1 204 239-3561 204 239-3560 (télécopieur) rcsversko@gov.mb.ca www.landmgmt.gov.mb.ca Services en français : Aurel Pantel 204 871-0780 apantel@gov.mb.ca	1^{er} avril 1995	Fournir à divers paliers de gouvernement (ministères, commissions, corporations, organismes et clients) des services de gestion foncière complets.
Pineland Forest Nursery	Conservation	Trevor Stanley General Manager Box 45 Hadashville, MB R0E 0X0 (204) 426-5235 (204) 426-2106 (fax) tstanley@gov.mb.ca www.pinelandforestnursery.com French Language Services: Gail Cielen (204) 945-4170 gcielen@gov.mb.ca	April 1, 1995	To provide the highest quality integrated seedling growing and related services to forest sector clients in Canada and the United States.
Pépinière de la forêt Pineland	Conservation	Trevor Stanley Directeur général B.P. 45 Hadashville (Manitoba) R0E 0X0 204 426-5235 204 426-2106 (télécopieur) tstanley@gov.mb.ca www.pinelandforestnursery.com Services en français : Gail Cielen 204 945-4170 gcielen@gov.mb.ca	1^{er} avril 1995	Fournir constamment des services de croissance de semis intégrés et autres services connexes de qualité supérieure aux clients du secteur forestier se trouvant au Canada et aux États-Unis.

Staff (FTE) Personnel (ETP)	2005/06 Financial Results ($000) Résultats financiers en 2005-2006 (en milliers de dollars)			Key Results through 2005/06 Principaux résultats obtenus jusqu'à l'exercice 2005-2006
		Actual Réels	Budget Budget	
28	Revenue	1,949	2,952	• $12.8 million annualized cost-saving in grants-in-lieu of taxes from assessment reviews, with $6.6 million in refunds and $241.6 million in tax assessment reduction • $9.1 million new revenue from sale or lease of surplus government land and buildings • $2.4 million price break on market rates
	Expenses	(2,110)	(2,708)	
	Net Income (Loss)	(161)	244	
	Revenue Sharing	(250)	(250)	
	Accumulated Deficit	(10)	395	
28	Recettes	1 949	2 952	• 12,8 millions de dollars d'économies annualisées en subventions tenant lieu de taxes provenant de l'examen d'évaluations, et 6,6 millions de dollars de remboursements et 241,6 millions de dollars de réduction sur les avis d'imposition • 9,1 millions de dollars de nouvelles recettes tirées de la vente ou de la location à bail de terres et d'édifices publics excédentaires • 24 millions de dollars de réduction par rapport aux taux du marché
	Dépenses	(2 110)	(2 708)	
	Résultat net (Perte)	(161)	244	
	Partage des recettes	(250)	(250)	
	Déficit accumulé	(10)	395	
38.33	Revenue	2,824	3,024	• 2447% increase in private sector revenue • 57% increase in greenhouse growing area • 625% increase in number of clients to 25 • 1,000% increase in seed processing • 101.9% achievement of targets • 99% achievement of quality standards
	Expenses	(2,995)	(3,107)	
	Net Income (Loss)	(171)	(83)	
	Retained Earnings	61	149	
38,33	Recettes	2 824	3 024	• 244 % d'augmentation de recettes provenant du secteur privé • 57 % d'augmentation de la capacité de production • 625 % d'augmentation du nombre de clients, qui passe à 25 • 1 000 % d'augmentation dans le traitement des semences • 101,9 % de réussite par rapport aux objectifs • 99 % de réussite par rapport aux normes de qualité
	Dépenses	(2 995)	(3 107)	
	Résultat net (Perte)	(171)	(83)	
	Bénéfices non répartis	61	149	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Companies Office	Finance	Myron Pawlowsky Chief Operating Officer 1010 - 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-4206 (204) 945-1459 (fax) mpawlowsky@gov.mb.ca http://companiesoffice.gov.mb.ca/index.html French Language Services: Lorraine Lagimodiere (204) 945-2500 companies@gov.mb.ca	April 1, 1996	To register and search the names of all businesses and corporations operating in Manitoba.
Office des compagnies	Finances	Myron Pawlowsky Directeur général 405 Broadway, bureau 1010 Winnipeg (Manitoba) R3C 3L6 204 945-4206 204 945-1459 (télécopieur) mpawlowsky@gov.mb.ca http://companiesoffice.gov.mb.ca/index.fr.html Services en français : Lorraine Lagimodiere 204 945-2500 companies@gov.mb.ca	1er avril 1996	Enregistrer et chercher le nom de toutes les entreprises et sociétés travaillant au Manitoba.
Manitoba Text Book Bureau	Education, Citizenship and Youth	Brenda McKinny Chief Operating Officer 130 - 1st Avenue West P.O. Box 910 Souris, MB R0X 2C0 (204) 483-5035 (204) 483-5041 (fax) bmckinny@gov.mb.ca www.mtbb.mb.ca French Language Services: Paulette Tasker (204) 483-5034 ptasker@gov.mb.ca	April 1, 1996	To provide Manitoba schools with cost-effective educational learning resources and related products recommended by the Department of Education, Citizenship and Youth.
Centre des manuels scolaires du Manitoba	Éducation, Citoyenneté et Jeunesse	Brenda McKinny Directrice générale 130, 1re Avenue Ouest B.P. 910 Souris (Manitoba) R0X 2C0 204 483-5035 204 483-5041 (télécopieur) bmckinny@gov.mb.ca www.mtbb.mb.ca Services en français : Paulette Tasker 204 483-5034 ptasker@gov.mb.ca	1er avril 1996	Fournir aux écoles du Manitoba, et à un coût économique, des ressources éducatives et des produits connexes recommandés par le ministère de l'Éducation, de la Citoyenneté et de la Jeunesse.

Staff (FTE) Personnel (ETP)	2005/06 Financial Results ($000) Résultats financiers en 2005-2006 (en milliers de dollars)			Key Results through 2005/06 Principaux résultats obtenus jusqu'à l'exercice 2005-2006
		Actual Réels	Budget Budget	
32	Revenue	6,143	5,336	• 98% client satisfaction rating in 2006 • 95% client satisfaction with personal telephone services in 2006 • 43% of customers file name registrations on-line
	Expenses	(4,067)	(4,214)	
	Net Income (Loss)	2,076	1,122	
	Revenue Sharing	(1,615)	(1,615)	
	Retained Earnings	2,205	1,251	
32	Recettes	6 143	5 336	• 98 % de satisfaction de la clientèle en 2006 • 95 % de satisfaction de la clientèle en ce qui concerne les services personnels par téléphone en 2006 • 43 % des clients ayant enregistré leur nom commercial en ligne
	Dépenses	(4 067)	(4 214)	
	Résultat net (Perte)	2 076	1,122	
	Partage des recettes	(1,615)	(1,615)	
	Bénéfices non répartis	2 205	1 251	
7.9	Revenue	9,006	8,171	• $511,057 cost-saving to government through full cost accounting, and bulk purchasing of learning resources in 2005/06 • 52.4% increase in sales and 39.2% reduction in staff levels since inception • Reduced percentage of operating costs to sales by 32.4% since inception. • 99.7% of stock orders filled correctly • Average turnaround time for stock orders in 2005/06 is 1.59 days which exceeds the target of 3 days • 24.1% of orders generated through website (490.2% over 2002/03)
	Expenses	(8,929)	(8,182)	
	Net Income (Loss)	77	(11)	
	Retained Earnings	179	91	
7,9	Recettes	9 006	8 171	• 511 057 $ d'économies pour le gouvernement grâce à la capitalisation du coût complet et à l'achat en gros de ressources éducatives en 2005-2006 • 52,4 % d'augmentation des ventes et 39,2 % de réduction du personnel depuis l'obtention du statut d'OSS • Réduction de 32,4 % du pourcentage des coûts d'exploitation par rapport aux ventes depuis l'obtention du statut d'OSS • 99,7 % des commandes de marchandises classées correctement • une attente de 1,59 jours en général en 2005-2006 pour recevoir une commande de matériel (moins que les trois jours initialement prévus) • 24,1 % des commandes passées sur Internet (une augmentation de 490,2 % par rapport à 2002-2003)
	Dépenses	(8 929)	(8 182)	
	Résultat net (Perte)	77	(11)	
	Bénéfices non répartis	179	91	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Industrial Technology Centre	Energy, Science and Technology	Trevor Cornell Chief Operating Officer 200 – 78 Innovation Drive Winnipeg, MB R3T 6C2 (204) 480-3333 (204) 480-0345 (fax) tcornell@itc.mb.ca www.itc.mb.ca French Language Services: Trevor Cornell (above)	April 1, 1996	To provide a wide range of technical services to business, industry, and government in support of technology-based economic development in Manitoba.
Centre de technologie industrielle	Énergie, Sciences et Technologie	Trevor Cornell Directeur général 78, chemin Innovation, bureau 200 Winnipeg (Manitoba) R3T 6C2 204 480-3333 204 480-0345 (télécopieur) tcornell@itc.mb.ca www.itc.mb.ca Services en français : Trevor Cornell (ci-dessus)	1er avril 1996	Fournir toute une gamme de services techniques aux entreprises, à l'industrie et au gouvernement, en appui à un développement économique du Manitoba fondé sur la technologie.
The Public Trustee	Justice	Anne Bolton Public Trustee 155 Carlton Street Suite 500 Winnipeg, MB R3C 5R9 (204) 945-2703 (204) 948-2997(fax) abolton@gov.mb.ca French Language Services: Suzanne Lavallee (204) 945-8411 slavallee@gov.mb.ca	April 1, 1996	To provide professional and cost-effective trustee services of last resort that meet client needs and protect the interests of Manitobans.
La curatrice publique	Justice	Anne Bolton Curatrice publique 155, rue Carlton, bureau 500 Winnipeg (Manitoba) R3C 5R9 204 945-2703 204 948-2997 (télécopieur) abolton@gov.mb.ca Services en français : Suzanne Lavallee 204 945-8411. slavallee@gov.mb.ca	1er avril 1996	Fournir des services de curateur de dernier recours, professionnels et rentables, qui répondent aux besoins des clients et protègent les intérêts des Manitobains.

Staff (FTE) Personnel (ETP)	2005/06 Financial Results ($000) Résultats financiers en 2005-2006 (en milliers de dollars)			Key Results through 2005/06 Principaux résultats obtenus jusqu'à l'exercice 2005-2006
		Actual Réels	Budget Budget	
21.1	Revenue	2,191	2,113	• 95% customer satisfaction since inception • 4,348 jobs saved/maintained in private sector since inception • $190 million economic development impact in private sector salaries, sales, R&D, cost-savings, and investment since inception as an SOA.
	Expenses	(2,474)	(2,529)	
	Net Income (Loss)	(283)	(416)	
	Retained Earnings	564	431	
21,1	Recettes	2 191	2 113	• 95 % de satisfaction de la clientèle depuis l'obtention du statut d'OSS • 4 348 emplois sauvés/maintenus dans le secteur privé depuis l'obtention du statut d'OSS • 190 millions de dollars de retombées économiques sur le secteur privé sous forme de salaires, de ventes, de R-D, d'économies et d'investissements depuis l'obtention du statut d'OSS.
	Dépenses	(2 474)	(2 529)	
	Résultat net (Perte)	(283)	(416)	
	Bénéfices non répartis	564	431	
76.28	Revenue	5,525	5,404	• full cost recovery in 2005/06
	Expenses	(5,222)	(5,348)	
	Net Income (Loss)	303	56	
	Retained Earnings/ Reserves	2,196	1,949	
76,28	Recettes	5 525	5 404	• totale récupération des coûts en 2005-2006
	Dépenses	(5 222)	(5 348)	
	Résultat net (Perte)	303	56	
	Bénéfices non répartis/réserves	2 196	1 949	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Office of the Fire Commissioner	Labour and Immigration	Doug Popowich Fire Commissioner c/o 508 - 401 York Avenue Winnipeg, MB R3C 0P8 (204) 945-3322 / 726-6855 (204) 948-2089 (fax) dpopowich@gov.mb.ca French Language Services: Roger Brunet (204) 945-1285 rbrunet@gov.mb.ca	April 1, 1996	To safeguard persons and property in Manitoba from fire and life safety hazards through education, investigation, emergency response, and code application.
Bureau du commissaire aux incendies	Travail et Immigration	Doug Popowich Commissaire aux incendies 401, avenue York, bureau 508 Winnipeg (Manitoba) R3C 0P8 204 945-3322 / 726-6855 204 948-2089 (télécopieur) dpopowich@gov.mb.ca Services en français : Roger Brunet 204 945-1285 rbrunet@gov.mb.ca	1er avril 1996	Protéger les biens et les personnes au Manitoba contre les incendies et les dangers posés à la sécurité des personnes, en éduquant le public, en procédant à des enquêtes, en intervenant en cas d'urgence et en appliquant les codes en vigueur.
Food Development Centre	Agriculture, Food and Rural Initiatives	Pat Scott General Manager Box 1240 - 810 Phillips Street Portage la Prairie, MB R1N 3J9 (204) 239-3624 (204) 239-3180 (fax) pscott@gov.mb.ca www.gov.mb.ca/agriculture/fdc/index.html French Language Services: Alphonsus Utioh (204) 239-3179 autioh@fdc.mb.ca	April 1, 1996	To provide leading-edge technical leadership in a proactive manner, in the creation, expansion, and diversification of the agri-food industry within Manitoba, which will generate wealth for Manitoba and Manitobans.
Centre de développement des produits alimentaires	Agriculture, Alimentation et Initiatives rurales	Pat Scott Directrice générale 810, rue Phillips B.P. 1240 Portage-la-Prairie (Manitoba) R1N 3J9 204 239-3624 204 239-3180 (télécopieur) pscott@gov.mb.ca www.gov.mb.ca/agriculture/fdc/index.html Services en français : Alphonsus Utioh 204 239-3179 autioh@fdc.mb.ca	1er avril 1996	Fournir un leadership technique de pointe de manière proactive, dans la création, l'expansion et la diversification de l'industrie agro-alimentaire au Manitoba, ce qui créera des richesses pour la province et ses habitants.

Staff (FTE) Personnel (ETP)	2005/06 Financial Results ($000) Résultats financiers en 2005-2006 (en milliers de dollars)	Actual Réels	Budget Budget	Key Results through 2005/06 Principaux résultats obtenus jusqu'à l'exercice 2005-2006
62	Revenue Expenses Net Income (Loss) Revenue Sharing Retained Earnings/ Reserves	8,252 (7,923) 329 - 416	7,707 (7,674) 33 - 120	• over $23.5 billion estimated saving in property loss due to fire containment and suppression since 1996 • 90% growth in assets over first year as an SOA • 4, 771 fires investigated since inception, with 80% resulting in determination of cause • 199 emergency responses attended since inception • 1000 arrests related to arson fires within the City of Winnipeg since creation of the Arson Task Force in 1997 • 35,462 certifications in Emergency Management and response issued by the Manitoba Emergency Services College since inception with an overall 90% satisfaction rate from clients.
62	Recettes Dépenses Résultat net (Perte) Partage des recettes Bénéfices non répartis/réserves	8 252 (7 923) 329 - 416	7 707 (7 674) 33 - 120	• plus de 23,5 milliards de dollars (estimation) d'économies en pertes matérielles grâce au confinement et à l'extinction d'incendies depuis 1996 • 90 % de croissance de l'actif durant la première année en tant qu'OSS • 4 771 incendies faisant l'objet d'une enquête depuis l'obtention du statut d'OSS; 80 % des enquêtes ont permis de déterminer la cause des incendies • participation à 199 interventions d'urgence depuis l'obtention du statut d'OSS • 1 000 arrestations liées aux incendies criminels dans la ville de Winnipeg depuis l'établissement du groupe de travail sur les incendies criminels en 1997 • Depuis ses débuts, le Collège des services d'urgence du Manitoba a accordé 35 462 accréditations pour la gestion des urgences et les interventions d'urgence. Le taux global de satisfaction des clients est de 90 %.
22	Revenue Expenses Net Income (Loss) Accumulated Deficit	3,800 (4,118) (318) (11)	3,267 (3,336) (69) 238	• 14 new employment opportunities created in private sector • 230 new products developed since 1998
22	Recettes Dépenses Résultat net (Perte) Déficit accumulé	3 800 (4 118) (318) (11)	3 267 (3 336) (69) 238	• 14 possibilités d'emploi créées dans le secteur privé • 230 nouveaux produits mis au point depuis 1998

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
The Property Registry	Finance	Rick Wilson Registrar General 14th Floor, 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2243 (204) 948-3276 (fax) rmwilson@gov.mb.ca www.gov.mb.ca/tpr/landtitles.fr.html www.gov.mb.ca/tpr/ppr.fr.html French Language Services: Guy Bilodeau (204) 945-6241 gbilodeau@gov.mb.ca Lee Crierie (204) 945-2042 Elizabeth Sims (204) 476-2106 esims@gov.mb.ca	April 1, 1997	To maintain land records, issue certifications of titles to land, and provide the public with reliable information on financial interests in personal property in Manitoba.
Office d'enregistrement des titres et des instruments	Finances	Rick Wilson Registraire général 405 Broadway, 14e étage Winnipeg (Manitoba) R3C 3L6 204 945-2243 204 948-3276 (télécopieur) rmwilson@gov.mb.ca www.gov.mb.ca/tpr/landtitles.fr.html www.gov.mb.ca/tpr/ppr.fr.html Services en français : Guy Bilodeau 204 945-6241 gbilodeau@gov.mb.ca Lee Crierie 204 945-2042 Elizabeth Sims 204 476-2106 esims@gov.mb.ca	1er avril 1997	Tenir à jour les documents relatifs aux terres, délivrer des certificats de titre de bien-fonds et fournir au public des renseignements fiables sur les intérêts financiers relatifs aux biens personnels au Manitoba.
Manitoba Securities Commission	Finance	Don Murray Chairman 500 - 400 St. Mary Avenue Winnipeg, MB R3C 4K5 (204) 945-2548 (204) 945-0330 (fax) dmurray@gov.mb.ca www.msc.gov.mb.ca French Language Services: Teresa Sigurdson (204) 945-2548 tsigurdson@gov.mb.ca	April 1, 1999	To act in the public interest to protect Manitoba investors and to facilitate dynamic and competitive capital and real estate markets that contribute to the economic development of Manitoba while fostering public confidence in those markets.
Commission des valeurs mobilières du Manitoba	Finances	Don Murray Président 400, avenue St. Mary, bureau 500 Winnipeg (Manitoba) R3C 4K5 204 945-2548 204 945-0330 (télécopieur) dmurray@gov.mb.ca www.msc.gov.mb.ca/index.fr.html Services en français : Teresa Sigurdson 204 945-2548 tsigurdson@gov.mb.ca	1er avril 1999	Agir pour le bien commun en protégeant les investisseurs manitobains et en favorisant le dynamisme et la compétitivité des marchés financiers et des marchés des valeurs mobilières qui contribuent au développement économique du Manitoba, tout en stimulant la confiance du public envers ces marchés.

Staff (FTE) Personnel (ETP)	2005/06 Financial Results ($000) Résultats financiers en 2005-2006 (en milliers de dollars)			Key Results through 2005/06 Principaux résultats obtenus jusqu'à l'exercice 2005-2006
		Actual Réels	Budget Budget	
151	Revenue Expenses Net Income (Loss) Revenue Sharing Retained Earnings	21,991 (12,734) 9,257 (6,915) 10,957	17,775 (13,981) 3,794 (5,900) 6,509	• same day turn around on Personal Property Registry printed registrations compared to benchmark of five days • 98% hit rate on electronic registration in Personal Property Registry • 97% hit rate on electronic searches in Personal Property Registry • 97% hit rate on electronic searches in Winnipeg Land Titles Office • less than two day average turn around for rural land title registrations compared to benchmark of three days • 100% preservation of land certificates of title on microfilm
151	Recettes Dépenses Résultat net (Perte) Partage des recettes Bénéfices non répartis	21 991 (12 734) 9 257 (6 915) 10 957	17 775 (13 981) 3 794 (5 900) 6 509	• service circulaire le jour même pour les enregistrements imprimés au Bureau d'enregistrement relatif aux biens personnels (par rapport au délai de référence de cinq jours) • 98 % de succès dans les enregistrements électroniques au Bureau d'enregistrement relatif aux biens personnels • 97 % de succès dans les recherches électroniques au Bureau d'enregistrement relatif aux biens personnels • 97 % de succès dans les recherches électroniques au Bureau des titres fonciers de Winnipeg • service circulaire en moins de deux jours en moyenne pour les enregistrements de titres fonciers ruraux (par rapport au délai de référence de trois jours) • 100 % de préservation des certificats de titre foncier sur microfilm
35	Revenue Expenses Net Income (Loss) Revenue Sharing Retained Earnings/ Reserves	10,539 (3,450) 7,089 (7,000) 4,108	9,000 (3,823) 5,177 (7,000) 2,196	• 8% increase in net earnings over 2004/05 • 3% increase in hits on web site over 2004/05 • expenses under budget by 11% • 8% increase in revenues over 2004/05 • 17 investor claims for financial compensation
35	Recettes Dépenses Résultat net (Perte) Partage des recettes Bénéfices non répartis/réserves	10 539 (3 450) 7 089 (7 000) 4 108	9 000 (3 823) 5 177 (7 000) 2 196	• 8% d'augmentation des bénéfices nets par rapport à 2004-2005 • 3 % d'augmentation du nombre d'interrogations du site Web par rapport à 2004-2005 • dépenses affichant des résultats négatifs de 11 % • 8 % d'augmentation des revenus par rapport à 2004-2005 • 17 réclamations de compensation financière de la part d'investisseurs

Special Operating Agencies Financing Authority

Financial Statements

March 31, 2006

Management Report

The accompanying financial statements are the responsibility of the management of the Special Operating Agencies Financing Authority and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to September 6, 2006.

Management maintains internal controls to properly safeguard the Financing Authority's assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

The responsibility of the Auditor General is to express an independent opinion on whether the financial statements of the Financing Authority are fairly presented in accordance with Canadian generally accepted accounting principles. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management,

Wayne McIntosh

Wayne McIntosh
Acting Chairperson,
Special Operating Agencies Financing Authority

September 6, 2006

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba
To the Member of the Special Operating Agencies Financing Authority

We have audited the combined balance sheet of the Special Operating Agencies Financing Authority at March 31, 2006 and the combined statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these combined financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2006 and results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
September 6, 2006

Special Operating Agencies Financing Authority
Province of Manitoba
Combined Balance Sheet
(In Thousands)

March 31	2006	2005
Assets		
Current:		
Cash	$ 10,357	$ 8,329
Term deposits with the Minister of Finance	18,560	17,484
Customer deposits	1,271	1,180
Accounts receivable (Note 3)	11,659	11,240
Inventories	4,614	4,779
Prepaid expenses	2,674	2,538
	49,135	45,550
Trust assets	12	12
Restricted short-term deposits (Note 4)	750	1,000
Deposit in joint venture (Note 5)	200	200
Capital assets (Note 6)	68,222	64,523
Receivable from the Province of Manitoba (Note 7)	5,123	5,123
	$ 123,442	$ 116,408
Liabilities		
Current:		
Working capital advances (Note 8)	$ 7,853	$ 7,099
Accounts payable and accruals	11,788	14,273
Unearned revenue	4,085	3,345
Current portion - capital lease obligations	7	47
Current portion - long-term debt (Note 10)	6,460	6,237
	30,193	31,001
Trust liabilities	12	12
Unearned revenue	786	917
Deferred Capital Contributions (Note 9)	9,275	8,261
Capital lease obligations	-	30
Long-term debt - Province of Manitoba (Note 10)	19,549	16,416
Severance liability (Note 12)	4,980	4,679
	64,795	61,316
Equity		
Contributed equity (Note 13)	17,828	17,828
Reserve funds (Note 14)	1,450	1,600
Retained earnings (Note 13)	39,369	35,664
	58,647	55,092
	$ 123,442	$ 116,408

Commitments (Note 15)

See accompanying notes to the financial statements.

Special Operating Agencies Financing Authority
Province of Manitoba
Combined Statement of Income and Retained Earnings
(In Thousands)

Year Ended March 31	2006	2005
Revenue		
Annual levy	$ 13	$ 15
Treasury Board Secretariat/Finance contribution	108	100
	121	115
Expenses		
Salaries and benefits	91	86
Other operating	29	25
	120	111
Financing Authority operations	1	4
Special Operating Agency operations – net income (loss)		
Civil Legal Services	456	193
Companies Office	2,076	1,504
Fleet Vehicles Agency	2,595	1,242
Food Development Centre	(318)	-
Industrial Technology Centre	(283)	(349)
Land Management Services	(161)	294
MERLIN	42	(28)
Manitoba Securities Commission	7,089	6,597
Manitoba Text Book Bureau	77	(42)
Materials Distribution Agency (Note 1)	(14)	167
Office of the Fire Commissioner	329	103
Organization and Staff Development	100	83
Pineland Forest Nursery	(171)	(181)
The Property Registry	9,257	7,090
The Public Trustee	303	389
Vital Statistics Agency	247	174
Net income for the year	21,625	17,240
Retained earnings, beginning of year	35,664	36,499
Transfer from (to) Reserve Funds (Note 14)	150	(100)
Transfer of surplus funds to the Province of Manitoba		
Civil Legal Services	(250)	(200)
Companies Office	(1,615)	(1,700)
Fleet Vehicles Agency	(1,500)	(1,500)
Land Management Services	(250)	(250)
Manitoba Securities Commission	(7,000)	(7,000)
Materials Distribution Agency	(400)	(400)
The Property Registry	(6,915)	(6,800)
Vital Statistics Agency	(140)	(125)
	(18,070)	(17,975)
Retained earnings, end of year	$39,369	$35,664

See accompanying notes to the financial statements.

Special Operating Agencies Financing Authority
Province of Manitoba
Combined Statement of Cash Flows
(In Thousands)

Year Ended March 31	2006	2005
Cash derived from (applied to):		
Operating		
Net income	$ 21,625	$ 17,240
Amortization	13,130	11,738
Amortization of deferred capital contributions	(554)	(112)
Gain on disposal of capital assets	(558)	(353)
	33,643	28,513
Change in:		
Customer deposit accounts	(91)	(20)
Accounts receivable	(419)	(640)
Inventories	165	252
Prepaid expenses	(136)	36
Accounts payable and accruals	(2,485)	156
Severance liability	301	248
Unearned revenue	609	(131)
Cash derived from operating activities	31,587	28,414
Investing		
Proceeds from disposal of capital assets	1,915	1,440
Acquisition of capital assets	(18,186)	(18,734)
Transfer from restricted short-term deposits	250	-
Deposit in joint venture	-	(200)
Cash applied to investing activities	(16,021)	(17,494)
Financing		
Proceeds from long-term debt	9,772	10,045
Long-term debt repayments	(6,416)	(8,514)
Capital lease obligations	(70)	(59)
Transfer of surplus funds	(18,070)	(17,975)
Change in deferred capital contributions	1,568	5,006
Cash applied to financing activities	(13,216)	(11,497)
Increase (decrease) in cash and cash equivalents	2,350	(577)
Cash and cash equivalents:		
Beginning of year	18,714	19,291
End of year	$ 21,064	$ 18,714
Represented by:		
Cash	$10,357	$ 8,329
Term deposits with the Minister of Finance	18,560	17,484
Working capital advances	(7,853)	(7,099)
	$ 21,064	$ 18,714

See accompanying notes to the financial statements.

1. Nature of organization

The Special Operating Agencies Financing Authority (the "Financing Authority") is a body corporate established effective April 1, 1992 under ***The Special Operating Agencies Financing Authority Act***. Under the direction of the Minister of Finance, the Financing Authority consists of the Chairperson as its sole member and receives staff support from the Department of Finance.

The Financing Authority provides a mechanism for funding Special Operating Agencies (SOAs) that operate outside the Consolidated Fund. It functions as a non-operating holding company, with the mandate to hold and acquire assets required for and resulting from SOA operations. It finances SOAs through contributed equity, repayable loans, and working capital advances. This financial framework enables SOAs to operate in a business-like manner within government policy expectations.

SOAs are designated by regulation under the Act and operate under a charter approved by the Lieutenant Governor in Council. A management agreement between the Financing Authority and the Minister responsible for each SOA assigns responsibility to the agency to manage and account for SOA-related assets and operations on behalf of the Financing Authority. SOAs remain accountable to their Minister for the results they achieve with the authority and resources granted.

The Financing Authority is economically dependent on the Province of Manitoba. Currently, the Financing Authority derives most of its revenue and all of its capital financing requirements from the Province.

SOAs in operation during the fiscal year ended March 31, 2006 were as follows:

Civil Legal Services, Department of Justice
Companies Office, Department of Finance
Fleet Vehicles Agency, Department of Transportation and Government Services
Food Development Centre, Department of Agriculture, Food and Rural Initiatives
Industrial Technology Centre, Department of Energy, Science and Technology
Land Management Services, Department of Transportation and Government Services
Manitoba Education, Research and Learning Information Networks (MERLIN), Department of Energy, Science and Technology
Manitoba Securities Commission, Department of Finance
Manitoba Text Book Bureau, Department of Education, Citizenship and Youth
Materials Distribution Agency, Department of Transportation and Government Services
Office of the Fire Commissioner, Department of Labour and Immigration
Organization and Staff Development, Civil Service Commission
Pineland Forest Nursery, Department of Conservation
The Property Registry, Department of Finance
The Public Trustee, Department of Justice
Vital Statistics Agency, Department of Finance.

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1. Nature of organization (continued)

The Province of Manitoba approved the amalgamation of the operations of Mail Management Agency and Materials Distribution Agency, effective April 1, 2005. The amalgamated operations operate as Materials Distribution Agency.

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2. Significant accounting policies

The financial statements of the Financing Authority are presented in accordance with Canadian generally accepted accounting principles.

Basis of reporting

The financial statements of the Financing Authority reflect the financial position and operating results of SOAs currently governed by management agreements with the Financing Authority. These statements are presented on a combined basis. Therefore, inter-agency balances and transactions have not been eliminated.

The following policies apply to the Financing Authority, as well as to all agencies combined herein.

Amortization of capital assets

Vehicles, fire engines	30%, declining balance
Vehicles (signed lease agreement)	straight line over term of lease
Equipment and furniture	6 2/3% - 20%, straight line 20% - 30%, declining balance
Computer equipment and software	20%, straight line 20%, declining balance
Rental equipment (Materials Distribution Agency)	2, 3, or 5 years, straight line
Buildings	15 - 40 years, straight line 10%, declining balance
Practical training site (Office of the Fire Commissioner)	20 years, straight line
Leasehold improvements	5 - 10 years, straight line
Other assets	5 - 10 years, straight line

Inventories

Inventories are valued at the lower of cost and net realizable value.

Financial Instruments

The carrying amounts of the current assets and liabilities are reasonable estimates of their fair value because of the short-term maturity of these instruments.

2. Significant accounting policies (continued)

Administrative expenses paid by the Province of Manitoba

The Treasury Board Secretariat / Finance contribution covers salaries and benefits and certain operating expenses, paid by the Province of Manitoba on behalf of the Financing Authority.

Use of estimates

In the preparation of the Financing Authority's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the period. Actual amounts could differ from these estimates.

3. Accounts receivable

	2006	2005
Trade	$10,978	$10,506
Insurance agency rebate	420	388
Other	261	346
	$11,659	$ 11,240

The trade receivables are mostly due from the Province of Manitoba.

The insurance agency rebate is for discounts receivable by the Fleet Vehicles Agency from the Manitoba Public Insurance Corporation based on favourable claims experience for the Province's vehicle fleet in the previous insurance year.

4. Restricted short-term deposits

The Manitoba Securities Commission maintains separate short-term deposits with the Province of Manitoba to fund expenses which may arise with respect to the Reserve Fund (Note 14b).

5. Deposit in joint venture

During the 2004/05 fiscal year, the Food Development Centre contributed $200 towards the purchase of a piece of equipment for Great Plains Aseptic Processors Ltd. To date, no formal agreement has been finalized as to the revenue sharing arrangement from this piece of equipment.

6. Capital assets

	Cost	Accumulated Amortization	2006 Net Book Value	2005 Net Book Value
Vehicles, fire engines	$ 87,250	$40,129	$47,121	$42,958
Equipment and furniture	13,022	7,654	5,368	5,256
Rental equipment	3,597	2,740	857	958
Computer equipment and software	5,669	4,196	1,473	1,618
Buildings	14,206	4,037	10,169	4,638
Practical training site	2,202	774	1,428	1,295
Building in Progress	-	-	-	6,205
Leasehold improvements	2,245	1,236	1,009	607
Other assets	2,783	1,986	797	988
	$130,974	$62,752	$68,222	$64,523

7. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of certain agencies prior to their designation as SOAs. It also includes severance pay benefits earned by SOA employees to March 31, 1998, as well as the benefits accumulated by the employees of the Manitoba Securities Commission prior to March 31, 1999. The balance is comprised of:

	2006	2005
Vacation entitlements	$ 1,708	$ 1,708
Severance pay benefits	3,415	3,415
	$5,123	$ 5,123

The receivable or portion thereof, for an individual SOA will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of an SOA.

8. Working capital advances

The Minister of Finance, with Lieutenant-Governor-in-Council approval by Orders in Council 747/1992, 242/1994, 152/1995, 151/1996, 136/1997, 168/1998, 129/2000, and 185/2005, has arranged for working capital advances to be available to the Financing Authority. The aggregate of the outstanding advances is not to exceed $21,370 (2005 - $20,370) at any one time. As at March 31, 2006, $ 13,517 (2005 - $13,271) of these advances was unused and available.

9. Deferred capital contributions

Deferred capital contributions, represent the unamortized amount of contributions received by the Food Development Centre from the Federal Government and the Province of Manitoba, for the purchase of equipment and construction of a building. These amounts will be taken into income to match the amortization of the equipment and building.

10. Long-term debt - Province of Manitoba

		2006	2005
6.625%	repayable in semi-annual instalments of $167 principal and interest, maturing in 2006	$ -	$ 161
5.750%	repayable in semi-annual instalments of $495 principal and interest, maturing in 2006	-	949
5.375%	repayable in semi-annual instalments of $121 principal and interest, maturing in 2007	118	345
4.750%	repayable in semi-annual instalments of $243 principal and interest, maturing in 2007	237	695
5.625%	repayable in semi-annual instalments of $174 principal and interest, maturing in 2007	334	650
4.250%	repayable in semi-annual instalments of $179 principal and interest, maturing in 2008	516	842
4.750%	repayable in semi-annual instalments of $397 principal and interest, maturing in 2008	1,499	2,198
6.425%	repayable in semi-annual instalments of $146 principal and interest, maturing in 2009	785	1,015

10. Long-term debt – Province of Manitoba (continued)

3.625%	repayable in semi-annual instalments of $149 principal and interest, maturing in 2009	842	1,103
3.500%	repayable in semi-annual instalments of $259 principal and interest, maturing in 2009	1,462	1,916
5.250%	repayable in semi-annual instalments of $159 principal and interest, maturing in 2010	1,007	1,263
5.625%	repayable in semi-annual instalments of $134 principal and interest, maturing in 2010	843	1,055
4.125%	repayable in semi-annual instalments of $56 principal and interest, maturing in 2010	361	455
4.000%	repayable in semi-annual instalments of $ 167 principal and interest, maturing in 2010	1,223	1,500
4.375%	repayable in semi-annual instalments of $438 principal and interest, maturing in 2010	3,186	3,900
5.125%	repayable in semi-annual instalments of $123 principal and interest, maturing in 2011	974	1,162
4.750%	repayable in semi-annual instalments of $ 227 principal and interest, maturing in 2011	2,000	-
4.750%	repayable in semi-annual instalments of $ 451 principal and interest, maturing in 2011	3,972	-
4.875%	repayable in semi-annual instalments of $ 137 principal and interest, maturing in 2012	1,305	1,507
4.75%	repayable in semi-annual instalments of $ 137 principal and interest, maturing in 2013	1,512	1,706
4.050%	repayable in semi-annual instalments of $ 140 principal and interest, maturing in 2014	1,798	-
4.125%	repayable in semi-annual instalments of $ 117 principal and interest, maturing in 2016	1,822	-

5.800%	repayable in annual instalments of $ 18 principal and interest, maturing in 2018	213	231
		26,009	22,653
	Amount due within one year	6,460	6,237
		$ 19,549	$ 16,416

Principal repayments in each of the next five years are as follows:

2007	$6,460
2008	5,857
2009	5,140
2010	3,908
2011	$2,385

As at March 31, 2006, the Financing Authority had no unused amount remaining in loan authority under previous ***Loan Acts.*** ***The Loan Act, 2006*** received Legislative approval on June 13, 2006. The original loan authority, under ***The Loan Act 2005*** and ***The Loan Act 2006,*** is:

	The Loan Act, 2006	***The Loan Act, 2005***
for Fleet Vehicles Agency	$8,300	$7,600

11. Pension benefits

Employees of SOAs are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board (CSSB). The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the special operating agencies, through the Civil Service Superannuation Fund.

Prior to April 1, 2001, only the Industrial Technology Centre and the Food Development Centre matched their employee's current contributions to the CSSB and had no additional liability under the CSSA.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the remaining SOAs transferred to the Province the pension liability for their employees. Commencing April 1, 2001, these SOAs were required to pay to the Province an amount equal to their employees' current pension contributions. The amount paid for 2006 was $1,563 (2005 - $1,534). Under this agreement, these SOAs have no further pension liability.

12. Severance liability

Effective April 1, 1998 or the date of their creation, whichever is later; SOAs began recording accumulated severance pay benefits for their employees. The amount of their severance pay

12. Severance liability (continued)

obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2005. The report provides a formula to update the liability on an annual basis. The special operating agencies' actuarially determined net liability for accounting purposes as at March 31, 2006 was $4,980 (2005 - $4,679). Commencing in the 2006 fiscal year the actuarial loss of $367 is being amortized over the 15 year expected average remaining service life of the employee group.

13. Equity

	2006	2005
Contributed equity		
Fleet Vehicles Agency	$ 4,284	$ 4,284
Industrial Technology Centre	62	62
Manitoba Text Book Bureau	550	550
Materials Distribution Agency	1,297	1,297
Office of the Fire Commissioner	11,279	11,279
Pineland Forest Nursery	356	356
	$17,828	$17,828

	2006	2005
Retained earnings		
Civil Legal Services	$ 913	$ 707
Companies Office	2,205	1,744
Fleet Vehicles Agency	14,459	13,364
Food Development Centre	(11)	307
Industrial Technology Centre	564	847
Land Management Services	(10)	401
MERLIN	(315)	(357)
Manitoba Securities Commission	3,358	3,019
Manitoba Text Book Bureau	179	102
Materials Distribution Agency	3,561	3,975
Office of the Fire Commissioner	216	(13)
Organization and Staff Development	461	361
Pineland Forest Nursery	61	232
The Property Registry	10,957	8,615
The Public Trustee	1,696	1,393
Vital Statistics Agency	1,068	961
Financing Authority	7	6
	$39,369	$35,664

14. Reserve funds

a) The Public Trustee

The Public Trustee has allocated a reserve out of retained earnings to provide for short-term fluctuations in revenue due to changes in revenue patterns or extraordinary expenses. The balance of the reserve at March 31, 2006 is $500 (2005 - $500).

b) Manitoba Securities Commission

The Manitoba Securities Commission has allocated a reserve out of retained earnings to provide for extraordinary regulatory expenses and changes in market activity affecting revenue. The balance of the reserve at March 31, 2006 is $750 (2005 - $1,000).

c) Office of the Fire Commissioner

The Office of the Fire Commissioner received approval from Treasury Board in Fiscal 2004/05 to establish a special reserve fund for water bomber fire suppression activities. This fund, which will be capped at an amount of $200, will be utilized to cover the costs associated with water bomber deployment for non-forest fire incidents occurring on Rural Municipality property. The balance of the reserve at March 31, 2006 is $200 (2005 - $100)

15. Commitments

Commitments for SOAs with building lease agreements at March 31, 2006 total $14,725 (2005 - $10,864). Estimated minimum lease payments for each of the next five years are as follows:

2007	$2,348
2008	1,881
2009	1,988
2010	2,025
2011	$2,056

Other commitments entered into by SOAs are as follows:

Office of the Fire Commissioner	Office equipment and vehicle leases	$ 518
Land Management Services	Office equipment and vehicle leases	87
Materials Distribution Agency	Printing equipment lease agreements	150
The Property Registry	Equipment lease agreements	645
		$ 1,400

16. Estates and trusts under administration

The Public Trustee has statutory responsibility for administering clients' estates and trusts. The client assets under administration at March 31, 2006 total approximately $177,000 (2005 - $177,000). The trust activities of The Public Trustee are reported in separate audited financial statements for Estates and Trusts under Administration.

17. Public sector compensation

No employee of the Financing Authority received compensation of $50 or more during the year ended March 31, 2006.

Compensation information for each SOA is disclosed in the notes to their audited financial statements.

18. Subsequent Event

The Province of Manitoba has approved the establishment of a special operating agency to be known as the Crown Lands and Property Agency subject to the dissolution of Land Management Services (a special operating agency created April 1, 1995 through the designation of the former Land Acquisition Branch) of the Department of Transportation and Government Services; and consolidation of the Land Acquisition Branch with the Lands Branch, the Park Districts Records Unit and Agricultural Crown Lands Program of the Department of Transportation and Government Services, effective April 1, 2006. The Crown Lands and Property Agency will report under the Department of Transportation and Government Services.

Further, the Province of Manitoba has approved special operating agency status effective April 1, 2006 for Green Manitoba Eco Solutions (formerly a program of the Department of Energy, Science and Technology) which will report under the Department of Energy, Science and Technology.

19. Contingency

The Manitoba Securities Commission has been named as defendant in two statements of claim. At the time of preparation of these financial statements, the outcome of these claims were undeterminable. The cost of a future settlement, if any, will be reflected as an expense in the year paid.

20. Comparative figures

Comparative figures for the year ended March 31, 2005 have been restated, where appropriate, to conform to the presentation adopted for March 31, 2006.

APPENDIX

Agency Financial Statements

- Fleet Vehicles Agency
- Materials Distribution Agency
- Organization and Staff Development
- Vital Statistics Agency
- Civil Legal Services
- Manitoba Education, Research and Learning Information Networks
- Land Management Services
- Pineland Forest Nursery
- Companies Office
- Manitoba Text Book Bureau
- Industrial Technology Centre
- The Public Trustee of Manitoba
- Office of the Fire Commissioner
- Food Development Centre
- The Property Registry
- Manitoba Securities Commission

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies
Financing Authority
Province of Manitoba

Financial Statements

(In Thousands)

March 31, 2006

Grant Thornton

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Statement of Cash Flows	5
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Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility for Financial Reporting

The Fleet Vehicles Agency (*FLEET*) management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of *FLEET's* financial position and results of operations and its cash flows in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available through May 12, 2006.

Management maintains internal controls to properly safeguard *FLEET's* assets. These controls also provide reasonable assurance that the books and records from which financial statements are derived accurately reflect all transactions, and that established policies and procedures are followed.

FLEET's financial statements have been audited by Grant Thornton LLP, independent external auditors. The auditors' responsibility is to express an independent opinion on whether the financial statements of *FLEET* are presented fairly, in all material respects, in accordance with Canadian generally accepted accounting principles. The Auditors' Report outlines the scope of their audit examination and provides their audit opinion.

On behalf of the *FLEET* management,

Dennis Ducharme
Chief Operating Officer

Albert Ogonoski
Manager, Finance

May 12, 2006

Grant Thornton

Grant Thornton LLP
Chartered Accountants
Management Consultants

Auditors' Report

To the
Special Operating Agencies Financing Authority

We have audited the balance sheet of **Fleet Vehicles Agency, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba** as at March 31, 2006 and the statements of earnings, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2006, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Winnipeg, Canada
May 12, 2006

Chartered Accountants

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Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Statements of Earnings and Retained Earnings
(In Thousands)
Year Ended March 31

	2006	2005 (Note 10)
Revenue		
Vehicle and equipment leases	$ 29,829	$ 26,298
Gain on disposal of vehicles and equipment, net	559	357
Interest income	1	7
Other revenue (Page 13)	4,637	3,880
	35,026	30,542
Expenses		
Salaries	2,671	2,520
Vehicle and equipment operating expenses (Page 13)	26,912	23,918
Administrative expenses (Page 13)	1,689	1,797
Community service	43	43
Interest expense	1,116	1,022
	32,431	29,300
Net earnings	$ 2,595	$ 1,242
Retained earnings, beginning of year	$ 13,364	$ 13,622
Net earnings	2,595	1,242
Revenue sharing to the Consolidated Fund	(1,500)	(1,500)
Retained earnings, end of year	$ 14,459	$ 13,364

See accompanying notes to the financial statements.

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Balance Sheet

(In Thousands)

March 31	2006	2005
Assets		
Current		
Receivables (Note 3)	$ 3,309	$ 2,597
Inventories	205	185
Prepaids	2,000	1,859
	5,514	4,641
Capital assets (Note 4)	47,347	43,221
Receivable from the Province of Manitoba		
Severance pay benefits (Note 5)	270	270
	$ 53,131	$ 48,132
Liabilities		
Current		
Working capital payable, net of cash (Note 6)	$ 3,651	$ 3,740
Payables and accruals	2,639	2,849
Revenue sharing to the Consolidated Fund	375	
Unearned revenue	1,476	1,046
Current portion of long-term debt	6,442	6,219
	14,583	13,854
Long-term debt (Note 7)	19,354	16,203
Severance pay liability (Note 5)	451	427
	34,388	30,484
Equity		
Contributed equity (Note 8)	4,284	4,284
Retained earnings	14,459	13,364
	18,743	17,648
	$ 53,131	$ 48,132

Commitments (Note 9)

See accompanying notes to the financial statements.

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flows

(In Thousands)

Year Ended March 31	2006	2005
Increase (decrease) in cash and cash equivalents		
Operating		
Net earnings	$ 2,595	$ 1,242
Amortization	9,702	8,814
Gain on disposal of vehicles and equipment, net	(559)	(357)
Increase in severance pay liability	42	41
Payment of severance pay benefits	(18)	
	11,762	9,740
Change in		
Receivables	(712)	(468)
Inventories	(20)	46
Prepaids	(141)	(120)
Payables and accruals	(210)	593
Revenue sharing to the Consolidated Fund	375	
Unearned revenue	430	32
	11,484	9,823
Investing		
Proceeds from disposal of vehicles and equipment	1,867	1,440
Acquisition of vehicles and equipment for lease	(14,957)	(12,268)
Acquisition of equipment for operations	(65)	(175)
Acquisition of leasehold improvements	(114)	
	(13,269)	(11,003)
Financing		
Proceeds from Loan Act Authority drawdowns	9,772	10,045
Long-term debt repayments	(6,398)	(8,445)
Revenue sharing to the Consolidated Fund	(1,500)	(1,500)
	1,874	100
Net increase (decrease) in cash and cash equivalents	89	(1,080)
Working capital payable, net of cash and cash equivalents		
Beginning of year	(3,740)	(2,660)
End of year	$ (3,651)	$ (3,740)

See accompanying notes to the financial statements.

Fleet Vehicles Agency
An Agency of the Special Operating Agencies Financing Authority Province of Manitoba
Notes to the Financial Statements

(In Thousands)
March 31, 2006

1. Nature of organization

In 1934, Fleet Vehicles was created as a branch of the Manitoba Provincial Government to provide a centralized fleet management program. It was established to achieve economies of scale and to lower overall fleet costs to government.

Effective April 1, 1992, the Fleet Vehicles branch was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M., and operates under a charter approved by the Lieutenant Governor in Council.

Effective April 1, 2003, the Radio Services Program within the Desktop, Telecommunications and Network Services Branch of the Department of Transportation and Government Services was transferred to the Agency.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A 1992 Management Agreement between SOAFA and the then Minister of Government Services assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of SOAFA.

Fleet Vehicles Agency continues to be part of Manitoba Government Services under the general direction of the Assistant Deputy Minister, Supply and Services Division, and ultimately the policy direction of the Deputy Minister and the Minister of Transportation and Government Services.

Fleet Vehicles Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

Fleet Vehicles Agency is economically dependent on The Government of Manitoba, as it derives most of its revenue and all of its capital financing requirements from the Province.

2. Significant accounting policies

Basis of reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts and short-term investments with original maturities of six months or less. Bank borrowings are considered to be financing activities.

Inventories

Inventories are valued at the lower of cost and market value. Cost is determined on a weighted average basis.

Capital assets

Rates and bases of amortization applied to write off the cost less estimated salvage value of capital assets over their estimated lives are as follows:

Vehicles	30%, declining balance
Vehicles and equipment (signed lease agreement)	straight line over term of lease
Office and shop equipment	20%, declining balance
Computer software and equipment	20%, straight line
Leasehold improvements	10%, straight line

Pension benefits

Employees of Fleet Vehicles Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board. The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the provincial government, including the Agency, through the Civil Service Superannuation Fund.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred the pension liability for its employees to the Province. Commencing April 1, 2001, the Agency was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for the year ended March 31, 2006 was $128 (2005: $121). Under this agreement, the Agency has no further pension liability.

Use of estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

2. Significant accounting policies (continued)

Financial instruments

The Agency's financial instruments consist of accounts receivable, accounts payable and long-term debt. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

Revenue recognition

Fixed rate lease revenue is recognized on a straight-line basis over the term of the lease. Variable rate lease revenue is recognized monthly based on equipment usage. Service revenue is recognized when the services have been performed.

3. Receivables

	2006	2005
Trade	**$ 1,784**	$ 1,342
Accrued trade	**1,105**	867
Insurance agency rebate receivable	**420**	388
	$ 3,309	$ 2,597

4. Capital assets

			2006	2005
	Cost	Accumulated Amortization	**Net Book Value**	Net Book Value
Vehicles and equipment for lease	$ 85,978	$ 39,192	**$ 46,786**	$ 42,698
Office, shop and computer equipment	1,271	983	**288**	324
Leasehold improvements	703	430	**273**	199
	$ 87,952	$ 40,605	**$ 47,347**	$ 43,221

5. Severance pay liability

Effective April 1, 1998, the Agency commenced recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the recorded amounts when actual experience is different from that expected and/or there are changes in actuarial assumptions used. The resulting actuarial gains or losses, when material in amount, are amortized over the expected average remaining service life of the related employee group.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees through specific dates. That responsibility is currently reflected by a $194 receivable from the Province for the employees at the Agency as of March 31, 1998, together with a $76 receivable from the Province for the employees at Radio Services as of March 31, 2003, who are also now with the Agency.

The receivable from the Province will only be collected, in whole or in part, in the event there is a cash shortfall in the Agency. It is probable, therefore, that collection will only occur on the dissolution of the Agency.

An actuarial valuation report was completed for the severance pay liability as of March 31, 2005. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's liability is recalculated annually, with payments to retiring employees no longer with the Agency or the Province charged against the liability. The Agency's actuarially determined net liability for accounting purposes as of March 31, 2006 was $451 (2005: $427).

6. Working capital payable

The Agency has an authorized line of working capital advances of $4,000, $3,704 of which was used as of March 31, 2006 (2005: $3,778).

7. Long-term debt

By virtue of the Management Agreement, the Agency is responsible for the repayment of debts assumed by the Special Operating Agencies Financing Authority (SOAFA) on its behalf. SOAFA holds the debt instruments listed in this Note on behalf of Fleet Vehicles Agency.

Loan Act Authority long-term debt is repayable in semi-annual instalments of principal and interest, as follows:

Interest Rate	Instalment Amount	Maturity Date	Principal Balance Owing March 31 2006	2005
6 ⅝%	167	September 30, 2005	$	$ 161
5 ¾%	495	March 31, 2006		949
5 ⅜%	121	September 30, 2006	**118**	345
4 ¾%	243	September 30, 2006	**237**	695
5 ⅝%	174	March 31, 2007	**334**	650
4 ¼%	179	September 30, 2007	**516**	842
4 ¾%	397	March 31, 2008	**1,499**	2,198
6.425%	146	March 31, 2009	**785**	1,015
3 ⅝%	149	March 31, 2009	**842**	1,103
3 ½%	259	March 31, 2009	**1,462**	1,916
5 ¼%	159	September 30, 2009	**1,007**	1,263
5 ⅝%	134	September 30, 2009	**843**	1,055
4 ⅛%	56	September 30, 2009	**361**	455
4%	167	March 31, 2010	**1,223**	1,500
4 ⅜%	438	March 31, 2010	**3,186**	3,900
5 ⅛%	123	September 30, 2010	**974**	1,162
4 ¾%	227	March 31, 2011	**2,000**	
4 ¾%	451	March 31, 2011	**3,972**	
4 ⅞%	137	September 30, 2011	**1,305**	1,507
4 ¾%	137	September 30, 2012	**1,512**	1,706
4.05%	140	September 30, 2013	**1,798**	
4 ⅛%	117	September 30, 2015	**1,822**	
Total principal owing as of March 31			**25,796**	22,422
Amount due within one year			**6,442**	6,219
Long-term debt as of March 31			**$ 19,354**	$ 16,203

Unused loan authority of $955 was available as of March 31, 2005. An additional $7,600 of loan authority availability was approved during June 2005 in The Loan Act, 2005 and a further $1,217 was approved during January 2006 in The Financial Administration Act. Loan authority amounts were drawn down at various times during the 2005/06 year, with the $9,772 in availability fully utilized as of March 31, 2006.

7. Long-term debt (continued)

As of March 31, 2006, principal repayments in each of the next five years are as follows:

2007	$ 6,442
2008	5,839
2009	5,122
2010	3,890
2011	2,367

8. Contributed equity

The Special Operating Agencies Financing Authority (SOAFA) and The Government of Manitoba entered into a Transfer Agreement in connection with the transfer from the Government to SOAFA of assets valued at $12,353 required for the continuing operations of Fleet Vehicles Agency as of March 31, 1992. The Agency has repaid the debt portion in the amount of $8,235 (2/3 of the value of the assets) and has recorded the balance of $4,118 (1/3 of the value of the assets) as the Government's equity in SOAFA relating to the Agency's operations.

The Agency's contributed equity was increased by $166 as of April 1, 2003, with the transfer of the net assets of Radio Services to the Agency.

9. Commitments

(a) Pursuant to a Memorandum of Understanding dated May 31, 1996, the Agency entered into a lease agreement with The Government of Manitoba through Manitoba Government Services for the rental of the facilities at 626 Henry Avenue, Winnipeg, Manitoba. Occupancy charges for each fiscal year including 2006/07 are established annually based on the approved budget for the Department of Transportation and Government Services. Occupancy charges for 2006/07 are estimated at $473 for the year, to be paid in quarterly instalments during 2006/07.

(b) The Agency's approved 2006/07 Business Plan calls for $1,500 in revenue sharing to be paid in quarterly instalments to the Consolidated Fund during 2006/07.

10. Comparative figures

Certain of the comparative figures in the financial statements for the year ended March 31, 2005, have been reclassified to conform to the financial statement presentation used in the current year.

11. Requirements of The Public Sector Compensation Disclosure Act

Pursuant to Section 2(1) of the Act, the following employees of Fleet Vehicles Agency received compensation, directly or indirectly, of $50 or more in the fiscal year ended March 31.

Name	Position		2006		2005
Kathryn Bernhardt	Manager, Support Services	$	**59**	$	59
Derek Boutang	Systems Analyst		**67**		61
Andy Chartrand	Environment and Program Analyst		**53**		
Donald Chesney	Manager, Fleet		**70**		66
Dennis Ducharme	Chief Operating Officer		**91**		86
James Ellison	Radio Services Technician		**59**		
Grant Fraser	Mechanical Shop Supervisor		**56**		
Richard Heck	Systems Analyst		**57**		52
Jordan Janisse	Systems Supervisor		**77**		71
Kevin Kilbrei	Manager, Marketing		**61**		55
David Kroeker	Programmer Analyst		**65**		61
Vladimair Lachowsky	Radio Services Technician		**57**		
Robert Nolin	Body Shop Supervisor		**54**		
Albert Ogonoski	Manager, Finance		**68**		64
Allan Pawluk	Radio Services Technician		**54**		
William Reynolds	Manager, Strategic Planning		**67**		63
Guy Sinclair	Manager, Operations		**80**		69
Sean Stephen	Radio Services Supervisor		**56**		55

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Schedule of Other Revenue and Expenses

(In Thousands)
Year Ended March 31

	2006	2005 (Note 10)
Other revenue		
Autopac service revenue	$ 509	$ 394
Garage regular service	1,055	714
Insurance premium rebates	879	802
Other, including fuel billings for managed vehicles that are not owned	741	278
Radio Services	1,453	1,692
	$ 4,637	$ 3,880
Vehicle and equipment operating expenses		
Amortization	$ 9,520	$ 8,614
Fuel	9,046	7,248
Insurance premiums	3,472	3,216
Licenses	136	138
Repairs and maintenance	4,738	4,702
	$ 26,912	$ 23,918
Administrative expenses		
Amortization	$ 182	$ 200
Fleet management information system	176	184
Human resource overhead	531	513
Occupancy costs	505	490
Other costs	164	154
Professional fees	20	156
SOAFA charges	3	3
Supplies and materials	63	55
Telephone and communication	45	42
	$ 1,689	$ 1,797

MATERIALS DISTRIBUTION AGENCY

Financial Statements
For The Year Ended March 31, 2006

(In Thousands)

Materials Distribution Agency
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

The Agency's management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with Canadian generally accepted accounting principles. The financial statements have been audited by The Exchange Chartered Accountants LLP, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

The Advisory Board has scheduled meetings with management to review accounting practices, financial reporting and to discuss the audit result. The auditors have free and full access to this Board, to discuss the results of the audit and their views on the adequacy of internal controls and the quality of financial reporting.

Susan Boulter
A/Chief Operating Officer

Joel Hershfield
Manager of Finance and Technology

E X G

THE EXCHANGE

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Materials Distribution Agency, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2006 and the statements of income and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2006 and the results of its operations and changes in cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

The Exchange

chartered accountants LLP

Winnipeg, Manitoba
June 2, 2006

MATERIALS DISTRIBUTION AGENCY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

BALANCE SHEET
(In Thousands)
AS AT MARCH 31, 2006

ASSETS

	2006	2005
CURRENT		
Cash and short term investments (note 8)	$ 1,040	$ 575
Accounts receivable	3,090	4,502
Inventories (notes 2 and 3)	1,437	1,838
Prepaid expenses	186	243
	5,753	7,158
RECEIVABLE – PROVINCE OF MANITOBA (note 4)	412	412
EQUIPMENT (notes 2 and 5)	1,404	1,341
OTHER ASSETS (notes 2 and 6)	473	520
	$ 8,042	$ 9,431

LIABILITIES

	2006	2005
CURRENT		
Accounts payable and accrued liabilities	$ 2,838	$ 3,757
Current portion of lease obligation (note 7)	7	42
	2,845	3,799
CAPITAL LEASE OBLIGATION (note 7)	-	30
SEVERANCE LIABILITY (note 9)	339	330
	3,184	4,159

EQUITY

	2006	2005
CONTRIBUTED EQUITY (note 10)	1,297	1,297
RETAINED EARNINGS	3,561	3,975
	4,858	5,272
	$ 8,042	$ 9,431

Commitments (note 11)

See Accompanying Notes To Financial Statements

MATERIALS DISTRIBUTION AGENCY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

STATEMENT OF INCOME AND RETAINED EARNINGS
(In Thousands)
YEAR ENDED MARCH 31, 2006

	2006	2005
NET WAREHOUSE SALES, note 2, schedule 1	$12,456	$14,038
COST OF GOODS SOLD	10,090	11,540
GROSS PROFIT	2,366	2,498
SERVICE REVENUE, note 2, schedule 1	9,982	9,886
SOFTWARE REVENUE, note 2	588	2,774
NET REVENUE	12,936	15,158
EXPENSES		
Salaries and benefits	3,932	3,974
Occupancy costs	826	751
Software Purchases	688	2,764
Administrative expenses, schedule 2	7,518	7,502
	12,964	14,991
NET INCOME (LOSS) FROM OPERATIONS	(28)	167
GAIN ON DISPOSAL OF ASSET UNDER CAPITAL LEASE	14	-
NET INCOME (LOSS)	(14)	167
RETAINED EARNINGS, beginning of year	3,975	4,208
REVENUE SHARING – Province of Manitoba	(400)	(400)
RETAINED EARNINGS, end of year	$ 3,561	$ 3,975

See Accompanying Notes To Financial Statements

MATERIALS DISTRIBUTION AGENCY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

STATEMENT OF CASH FLOW
(In Thousands)
YEAR ENDED MARCH 31, 2006

Increase (decrease) in cash and cash equivalents

	2006	2005
Operating		
Net income (loss)	$ (14)	$ 167
Amortization	825	903
Gain on disposal of asset under capital lease	(14)	-
	797	1,070
Change in		
Accounts receivable	1,412	41
Inventories	401	177
Prepaid expenses	57	(18)
Accounts payable and accrued liabilities	(919)	(50)
Severance liability	9	21
	1,757	1,241
Investing		
Proceeds on disposal of asset under capital lease	48	-
Acquisition of rental equipment	(469)	(692)
Acquisition of equipment	(41)	(40)
Acquisition of leasehold improvements	(289)	-
Acquisition of other assets	(76)	(67)
	(827)	(799)
Financing		
Revenue sharing – Province of Manitoba	(400)	(400)
Lease obligations	(65)	(38)
	(465)	(438)
Increase (decrease) in cash and short term investments	465	4
Cash and short-term investments, beginning of year	575	571
Cash and short-term investments, end of year	$ 1,040	$ 575

1. NATURE OF ORGANIZATION

The Government of Manitoba established a central warehouse operation in 1974. Its mandate was to effectively meet the cost needs of departments and certain boards, commissions and agencies of the Crown, for a variety of commonly used items.

Effective April 1, 1993, Materials Distribution Agency (the "Agency") was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

In 1956, Mail Management (Postal Service) was created as a branch of the Manitoba Provincial Government to provide centralized postal management. Effective April 1, 1996, the Postal Service was renamed Mail Management Agency (the "Agency") and designated as a Special Operating Agency (SOA) pursuant to The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

Effective April 1, 2005, the operations of the Materials Distribution Agency and the Mail Management Agency were amalgamated. The amalgamated operations have been operating as the Materials Distribution Agency since that time.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from the Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Financing Authority and the Minister of Transportation and Government Services assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of the Financing Authority.

The Agency continues to be part of Manitoba Transportation and Government Services under the general direction of the Assistant Deputy Minister, Supply and Services Division, and ultimately the policy direction of the Deputy Minister and Minister.

The Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

1. NATURE OF ORGANIZATION, continued

The Agency is economically dependent on the Province of Manitoba and the Manitoba Regional Health Authorities deriving most of its revenue and all of its capital financing requirements from the Province. These transactions are recorded at the exchange amount, which is the amount agreed upon by both parties.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Inventories

Inventories are valued at the lower of cost and net realizable value.

Equipment

Equipment is recorded at cost and is amortized annually at the following rates and bases:

Computer equipment	- 20%, straight-line basis
Fixtures	- 20%, straight-line basis
Office equipment	- 20%, diminishing balance basis
Warehouse equipment	- 20%, diminishing balance basis
Leasehold improvements	- over 5 years, straight-line basis

Non-consumable equipment relating to the Home Care Equipment and Supplies Program are amortized at varying rates in order to reflect the varying periods of useable "life".

Rental equipment	- over 2, 3 or 5 years, straight-line basis

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Other Assets

Other assets are recorded at cost and are amortized at the following rates on a straight-line basis:

Computer conversion	- over 5 years
Relocation expenses	- over 10 years

Revenue Recognition

Warehouse sales are normally recognized when the products are shipped, service revenues are recognized on the provision of services, and software revenue is recognized when products are shipped and when collection is reasonably assured.

3. INVENTORIES

	2006	2005
Medical supplies	$ 709	$ 1,249
Equipment	53	29
Golden Boy	-	20
Stationery	494	401
Janitorial	170	125
New furniture	11	14
	$ 1,437	$ 1,838

4. RECEIVABLE – PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for vacation entitlement earned by the employees of the Agency prior to its designation as a Special Operating Agency. It also includes severance pay benefits earned by the employees to March 31, 1998.

4. RECEIVABLE – PROVINCE OF MANITOBA, continued

The receivable, or portion thereof, for the Agency will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

	2006	2005
Vacation	$ 116	$ 116
Severance	296	296
	$ 412	$ 412

5. EQUIPMENT

	Cost	Accumulated Amortization	2006 Net	2005 Net
Computer equipment	$ 164	$ 143	$ 21	$ 37
Production equipment	405	325	80	155
Fixtures	107	107	-	-
Office equipment	64	60	4	-
Warehouse equipment	418	262	156	165
Leasehold improvements	690	404	286	26
Rental equipment	3,597	2,740	857	958
	$ 5,445	$ 4,041	$ 1,404	$ 1,341

6. OTHER ASSETS

	Cost	Accumulated Amortization	2006 Net	2005 Net
Computer conversion	$ 1,447	$ 1,188	$ 259	$ 327
Relocation expense	286	72	214	193
	$ 1,733	$ 1,260	$ 473	$ 520

7. CAPITAL LEASE OBLIGATION

	2006	2005
DeLage Landen capital lease repayable in quarterly payments of $2. The capital lease ends on December 31, 2006.	$ 7	$ 17
Pitney Bowes capital lease	-	8
Xerox Canada capital lease	-	47
	7	72
Amounts payable within one year	(7)	(42)
	$ -	$ 30

8. WORKING CAPITAL PAYABLE

The Agency has an authorized line of working capital advances of $2,300 of which none ($231 – 2005) was used at March 31, 2006. Cash and short term investments are net of the working capital payable.

9. SEVERANCE LIABILITY

Effective April 1, 1998 the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2005. The report provides a formula to update the liability on a annual basis. The Materials Distribution Agency actuarially determined net liability for accounting purposes as at March 31, 2006 was $339 (2005-$330). Commencing in the 2006 fiscal year the actuarial loss of $40 is being amortized over the 15 year expected average remaining service life of the employee group.

10. CONTRIBUTED EQUITY

Loan Authority – April 1, 1993

The SOAFA and the Province of Manitoba entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority of inventory and capital assets valued at $1,464 required for the continuing operations of the Agency as at March 31, 1993. The Agency repaid the debt portion of $732 (being ½ of the value of the assets) and recorded the balance, $732, as Manitoba's contributed equity in the Financing Authority as related to the Agency operations.

Loan Authority – April 1, 1996 MMA

SOAFA and the Province of Manitoba entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority of equipment valued at $102 required for continuing operations of the Mail Management Agency as at March 31, 1996. The Mail Management Agency (now Materials Distribution Agency) repaid the debt portion in the amount of $51 (being one-half of the value of the assets) and recorded the balance of $51 as Manitoba's contributed equity in the Financing Authority as related to the Agency's operations.

Loan Authority – April 1, 1997

SOAFA and the Province of Manitoba entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority for the net assets of the Home Care Equipment and Supply Program valued at $1,027 as at April 1, 1997. The Agency repaid the debt portion of $513 (being ½ of the value of the assets) and recorded the balance, $514, as Manitoba's contributed equity in the Financing Authority as related to the Agency operations.

11. COMMITMENTS

Leased Premises

On March 24, 2003, the Agency took partial possession of a rental property consisting of 76,067 square feet at 1715 St. James Street, Winnipeg, Manitoba. The lease is for a term of 10 years with an additional 5 year option commencing May 1, 2003.

The payments over the next five years are:

2006/07	$453
2007/08	453
2008/09	521
2009/10	521
2010/11	521

Revenue Sharing

The Agency's approved 2006/07 Business Plan calls for $400 in revenue sharing to be paid in quarterly instalments to the Consolidated Fund during 2006/07.

Equipment Lease

The Agency has entered into a 5 year lease with Xerox for printing equipment. The lease is being paid yearly with payments of $30 annually.

Rental Agreements

The Agency has not entered into lease agreements with the Province of Manitoba for the five locations that it operates (200 Vaughan Street, Winnipeg; 405 Broadway, Winnipeg; 450 Broadway, Winnipeg; 340 – 9th Street, Brandon; and 25 Tupper Street, Portage la Prairie). Occupancy charges for the year ended March 31, 2006 were $93, whereas charges for the year ended March 31, 2005 were $120.

12. PENSION BENEFITS

Employees of the Agency are eligible for pension benefits in accordance with the provision of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation (CSSB).The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the Materials Distribution Agency, through the Civil Service Superannuation Fund (CSSF)

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, the Agency is required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2006 was $166 (2005 - $ 153).

13. INTEREST RECEIVED

The Agency received interest during the year of $ 28 (2005 - $14).

14. PUBLIC SECTOR COMPENSATION DISCLOSURE ACT

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation in an amount exceeding $50 annually to any officer or employee of the Agency. For the year ended March 31, 2006, the following employees received compensation in excess of $50.

Name	Position	2006	2005
Ailyn Almendral	IT- Systems Administrator	$60	$ 57
Susan Boulter	A/Chief Operating Officer	85	84
Joel Hershfield	Manager of Finance and Technology	66	65
Ted Norrington	Financial Analyst	53	54
Kathy Kupfer	Marketing Manager	59	59
Glen Dela Cruz	IT Support	52	-
Wes Dropko	IT Services	55	52
Greg Bowers	Marketing and Communications	59	59
Dave Bishop	Logistics Manager	52	-
Rhonda Boyd	Client Services Manager	50	-

15. FINANCIAL INSTRUMENTS

The Agency's financial instruments consist of cash and short term investments, accounts receivable, receivable from the Province of Manitoba, accounts payable and accrued liabilities and severance liability. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

16. COMPARATIVE FIGURES

The comparative figures have been restated to reflect the amalgamated operations of MDA and MMA.

MATERIALS DISTRIBUTION AGENCY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

SCHEDULE OF WAREHOUSE SALES & SERVICE REVENUE
(In Thousands)
MARCH 31, 2006

	2006	2005
Warehouse Sales		
Medical supplies	$ 5,748	$ 8,836
Stationery	3,109	2,788
Health Equipment	620	516
Janitorial	1,098	1,019
Furniture	1,863	870
Special Projects	18	9
	$ 12,456	$ 14,038

	2006	2005
Service Revenue		
Manitoba Textbook Bureau	$ 309	$ 278
Home Care equipment rentals	1,857	1,819
Office equipment – copy centres	616	624
Office equipment – maintenance program	71	74
Disposal	9	14
Freight	511	564
Moving	384	275
Storage	83	67
Special Projects	84	91
Mail Processing	4,772	4,842
Inter Departmental Mail	586	584
Mail Finishing	418	384
Printing	138	124
Contract Management	53	70
Other Income	91	76
	$ 9,982	$ 9,886

MATERIALS DISTRIBUTION AGENCY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

SCHEDULE OF ADMINISTRATIVE EXPENSES
(In Thousands)
MARCH 31, 2006

	2006	2005
ADMINISTRATIVE EXPENSES		
SOAFA fees	$ 2	$ 2
Professional services	25	23
Amortization	825	903
Computer	183	220
Office	133	114
Promotion and marketing	50	43
Telephone	61	51
Training	13	14
Freight	894	743
Moving	199	143
Warehouse Supplies	119	71
Copy Centre	409	408
Equipment Rentals	73	122
Vehicles	44	36
Mail Services	4,405	4,566
Miscellaneous	83	43
	$ 7,518	$ 7,502

ORGANIZATION & STAFF DEVELOPMENT - AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY

Financial Statements

For the year ended March 31, 2006

BDO Dunwoody LLP/s.r.l.
Chartered Accountants
and Advisors

Comptables agréés
et conseillers

ORGANIZATION & STAFF DEVELOPMENT - AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY

Financial Statements

For the year ended March 31, 2006

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Management's Responsibility for Financial Reporting

The accompanying financial statements are the responsibility of the management of **Organization and Staff Development** and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available to May 17, 2006.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions, and that established policies and procedures are followed.

The responsibility of the Auditor General is to express an independent opinion on whether the financial statements of Organization and Staff Development are fairly represented in accordance with Canadian generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management,

Organization and Staff Development

Edna Dickson, Director
May 17, 2006

TREASURY BOARD
JUL 13 2006
SECRETARIAT

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba
To Organization and Staff Development
To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Organization and Staff Development, an Agency of The Special Operating Agencies Financing Authority, as at March 31, 2006 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2006 and results of its operations and changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
May 17, 2006

ORGANIZATION & STAFF DEVELOPMENT - AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY

Balance Sheet

March 31	2006	2005
	(000's)	
Assets		
Current Assets		
Cash and bank (Note 3)	$ 283	$ 288
Short-term investments - Province of Manitoba	350	377
Accounts receivable	69	79
Inventories	5	5
Prepaid expenses	-	2
	707	751
Receivable from Province of Manitoba (Note 4)	39	39
Capital assets (Note 5)	9	8
	$ 755	$ 798
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	$ 219	$ 369
Severance liability (Note 6)	75	68
	294	437
Equity		
Retained earnings	461	361
	$ 755	$ 798

The accompanying notes are an integral part of these financial statements.

ORGANIZATION & STAFF DEVELOPMENT - AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY

Statement of Operations and Retained Earnings

For the year ended March 31

(000's)

	2006 Actual	2005 Actual	Variance	Budget	Variance
Revenue					
Training and consulting	$ 1,553	$ 1,474	$ 79	$ 1,270	$ 283
Interest	12	8	4	8	4
	1,565	1,482	83	1,278	287
Expenses					
Professional fees	543	543	-	420	123
Salaries and benefits	463	471	(8)	471	(8)
Books and course materials	122	95	27	90	32
Accommodations	87	79	8	49	38
Food and beverages	89	67	22	64	25
Travel	34	21	13	15	19
Desk top management	24	28	(4)	30	(6)
Communications	17	26	(9)	21	(4)
Occupancy costs	17	16	1	17	-
Office supplies	24	15	9	22	2
Professional development	8	12	(4)	13	(5)
Marketing	15	10	5	28	(13)
Rentals	11	8	3	12	(1)
Other	3	5	(2)	6	(3)
Amortization	2	3	(1)	2	-
Bad debt	-	-	-	1	(1)
Great Plains Support	6	-	6	-	6
	1,465	1,399	66	1,261	204
Net income for the year	100	83	17	17	83
Retained earnings beginning of year	361	278			
Retained earnings, end of year	$ 461	$ 361			

The accompanying notes are an integral part of these financial statements.

ORGANIZATION & STAFF DEVELOPMENT - AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY

Statement of Cash Flows

For the year ended March 31	2006	2005
	(000's)	
Cash Flows from Operating Activities		
Net income for the year	$ 100	$ 83
Adjustment for		
Amortization of capital assets	2	3
	102	86
Changes in non-cash working capital balances		
Accounts receivable	10	(19)
Inventories	-	6
Prepaid expenses	2	(2)
Accounts payable and accrued liabilities	(150)	167
Severance liability	7	6
	(131)	158
	(29)	244
Cash Flows from Investing Activities		
Purchase of capital assets	(3)	-
Increase (decrease) in cash and cash equivalents	(32)	244
Cash and cash equivalents, beginning of year	665	421
Cash and cash equivalents, end of year	$ 633	$ 665
Represented by		
Cash and bank	$ 283	$ 288
Short-term investments	350	377
	$ 633	$ 665

The accompanying notes are an integral part of these financial statements.

1. Nature of Organization

Effective April 1, 1994, Organization & Staff Development of the Civil Service Commission was designated by regulation as a Special Operating Agency under The Special Operating Agencies Financing Authority Act and operates under a charter approved by the Lieutenant Governor in Council. Its mandate is to provide consulting and training services to support the implementation of the government's human resource policies and priorities.

The Agency is financed through the Special Operating Agencies Financing Authority. The Financing Authority has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Financing Authority and the Minister responsible for the Civil Service Commission assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of the Financing Authority.

Organization & Staff Development continues to be part of the Civil Service Commission under the general direction of the Commissioner and ultimately the policy direction of the Minister responsible for The Civil Service Act.

Organization & Staff Development remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

Organization & Staff Development is economically dependant on the Province of Manitoba. Currently, the Agency derives most of its revenue from the Province of Manitoba and all of its capital financing requirements through the Financing Authority.

2. Significant Accounting Policies

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Revenue Recognition

Training and consulting revenue is recorded on an accrual basis by specific project.

Use of Estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Financial Instruments

The Agency's financial instruments consist of cash, accounts receivable, investments and accounts payable. It is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Inventories

Inventories are valued at the lower of cost and net realizable value.

Capital Assets

Rates of amortization applied to write off the cost of capital assets over their estimated life are as follows:

Office equipment	20% declining balance
Furniture and fixtures	20% declining balance
Computer equipment	20% straight line

In the year of acquisition, amortization is calculated at one half of the rate indicated above.

3. Working Capital

The Agency has an authorized line of working capital advances of $120 which was unused and available at March 31, 2006.

ORGANIZATION & STAFF DEVELOPMENT - AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY

Notes to Financial Statements

March 31, 2006 **(000's)**

4. Receivable from Province of Manitoba

The Province of Manitoba has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $33 was completely offset by a receivable from the Province. The receivable from the Province was restated to $39 as a result of the actuarial valuation completed as at March 31, 2000.

The receivable from the Province, or portion thereof, for Organization & Staff Development, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

5. Capital Assets

	2006			2005		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Office equipment	$ 6	$ 2	$ 4	$ 5	$ 2	$ 3
Furniture and fixtures	10	9	1	10	8	2
Computer equipment	14	10	4	12	9	3
	$ 30	$ 21	$ 9	$ 27	$ 19	$ 8

6. Severance Liability

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2005. The report provides a formula to update the liability on an annual basis. The Organization & Staff Development's actuarially determined net liability for accounting purposes as at March 31, 2006 was $75 (2005 - $68). Commencing in the 2006 fiscal year the actuarial gain of $15 is being amortized over the 15 year expected average remaining service life of the employee group.

7. Related Party Transactions

The Agency is related in terms of common ownership to all Province of Manitoba created Departments, Agencies and Crown Corporations. The Agency enters into transactions with these entities in the normal course of business.

8. Pension Benefits

Employees of Organization & Staff Development are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board. The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including Organization & Staff Development, through the Civil Service Superannuation Fund.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees. Commencing April 1, 2001, the Agency was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2006 was $19 (2005 - $20). Under this agreement, the Agency has no further pension liability.

9. Public Sector Compensation

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2006, the following employees received compensation of $50,000 or more.

	2006	2005
E. Dickson	$ **78**	$ 70
J. Desrochers	**70**	66
S. Swan	**57**	52
K. Meekler	-	58

VITAL STATISTICS AGENCY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2006

VS

Vital Statistics Agency

MANAGEMENT REPORT

To the Special Operating Agencies Financing Authority

The accompanying financial statements are the responsibility of the management of the Vital Statistics Agency and have been prepared in accordance with generally accepted accounting principles. In Management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating Management's best judgement regarding all necessary estimates and all other data available up to May 18, 2006.

Management maintains internal controls to properly safeguard the Vital Statistics Agency's assets. These controls also provide reasonable assurance that the books and records from which financial statements are derived accurately reflect all transactions, and established policies and procedures are followed.

The Auditor's responsibility is to express an independent opinion on whether the financial statements of the Vital Statistics Agency are fairly presented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides an audit opinion.

On behalf of Management,

Caroline Kaus

Caroline E. Kaus
Chief Operating Officer

Rudy Gerling, CGA
Manager of Finance,
Administration and Marketing

Winnipeg, Manitoba
May 18, 2006

TREASURY BOARD
JUN 21 2006
SECRETARIAT

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one: (204) 945-3701 Fax: (204) 948-3128
: vitalstats@gov.mb.ca
ite: www.gov.mb.ca/cca/vital

Bureau de l'état civil
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Site Internet: www.gov.mb.ca/cca/vital

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

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AS AT MARCH 31, 2006

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ULAT & POUSTIE
ARTERED ACCOUNTANTS

1700 Ness Avenue
Winnipeg, Manitoba R3J 3Y1

Telephone: (204) 831-1700
Fax: (204) 831-7812

AUDITORS' REPORT

TO THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY

We have audited the balance sheet of **Vital Statistics Agency**, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at **March 31, 2006** and the statements of earnings, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BULAT & POUSTIE

Bulat & Poustie

Winnipeg, Manitoba
May 18, 2006

CHARTERED ACCOUNTANTS

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
AS AT MARCH 31, 2006

	2006	2005
ASSETS		
CURRENT		
Cash and short term deposits	$ 749	$ 443
Accounts receivable, note 4	65	50
Inventory, note 2	51	39
Prepaid expenses	17	17
	882	549
RECEIVABLE FROM PROVINCE OF MANITOBA, note 5	94	94
CAPITAL ASSETS, notes 2 and 6	674	840
	$ 1,650	$ 1,483
LIABILITIES		
CURRENT		
Accounts payable	$ 117	$ 108
Unearned revenue, note 2	107	97
Accrued unused vacation entitlements	149	133
	373	338
SEVERANCE PAY LIABILITY, note 8	209	184
	582	522
COMMITMENTS, note 9		
EQUITY		
RETAINED EARNINGS	1,068	961
	$ 1,650	$ 1,483

The accompanying notes are an integral part of the financial statements

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005
REVENUE		
Net sales	$ 2,905	$ 2,762
Proceeds from government departments	127	112
Interest	11	5
	3,043	2,879
EXPENSES		
Salaries and employee benefits	1,597	1,570
Operating expenses, Schedule 1	918	908
Amortization	281	227
	2,796	2,705
NET EARNINGS FOR THE YEAR	$ 247	$ 174

The accompanying notes are an integral part of the financial statements

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF RETAINED EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005
RETAINED EARNINGS, BEGINNING OF YEAR	$ 961	$ 912
Net earnings for the year	247	174
	1,208	1,086
Revenue sharing payment to Province of Manitoba	140	125
RETAINED EARNINGS, END OF YEAR	$ 1,068	$ 961

The accompanying notes are an integral part of the financial statements

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOWS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2006

		2006		2005
CASH FLOWS FROM OPERATING ACTIVITIES				
Net earnings for the year	$	247	$	174
Adjustments for				
Amortization		281		227
Severance pay expenses		25		20
		553		421
Changes in the following:				
Accounts receivable		(15)		(8)
Inventory		(12)		(8)
Prepaid expenses		-		(3)
Accounts payable		9		(6)
Unearned revenue		10		(3)
Accrued unused vacation entitlements		16		(2)
		561		391
CASH FLOWS FROM FINANCING ACTIVITIES				
Revenue sharing payment to Province of Manitoba		(140)		(125)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of capital assets		(115)		(184)
INCREASE IN CASH AND SHORT TERM DEPOSITS		306		82
CASH AND SHORT TERM DEPOSITS, BEGINNING OF YEAR		443		361
CASH AND SHORT TERM DEPOSITS, END OF YEAR	$	749	$	443

The accompanying notes are an integral part of the financial statements

1. ENTITY DEFINITION

Effective April 1, 1994, the Lieutenant Governor in Council designated the Vital Statistics Agency (the "Agency") as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. cS185) by Order in Council 232/1994. The Order also gave approval to the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Agency at that time, to enter into a Management Agreement with respect to the Agency.

A Management Agreement between the Financing Authority and the Minister of Consumer and Corporate Affairs assigns responsibility to manage the assets transferred to the Agency in delivering regulated services to clients through administration of three major Acts; The Vital Statistics Act, The Change of Name Act, and The Marriage Act. The Agency also handles disinterments under the Public Health Act. The ownership of the vital events records is excluded from this agreement, as their ownership is considered Crown property and should not be alienated from Government protection in the the public interest.

The Agency is part of Manitoba Consumer and Corporate Affairs Division in the Department of Finance under the general direction of the Minister of Finance, the Deputy Minister and Assistant Deputy Minister who is also Chairperson of Vital Statistics Advisory Board.

The Agency remains bound by relevant legislation and regulation. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are in accordance with Canadian generally accepted accounting principles and reflect the following policies:

Inventory

Inventory of certificates and pre-printed forms are valued at cost. Cost is generally determined on a first-in, first-out method.

Capital Assets

Capital assets are recorded at cost. Amortization is provided for as follows:

	Rate	Method
Data conversion	20 %	Declining balance
Furniture and fixtures	20 %	Straight line
Information system	20 %	Declining balance
Leasehold improvements	20 %	Straight line
Office equipment	20 %	Straight line
Security equipment	20 %	Straight line

During the year, the Agency implemented its new Vitalware information system, with the exception of registrations, to replace its existing Life Data system. The registrations portion of Vitalware was implemented in May 2006. The Agency has determined that any future benefit from the Life Data system would be gone after May 2006 and has decided to amortize the remaining net book value of $130.7 as at March 31, 2005 over a period up to May 2006. During the year ended March 31, 2006, $104.6 of amortization was recorded, with the remaining amount to be recorded in 2007.

Significant Accounting Policies - continued

Unearned revenue and revenue recognition

The Agency receives cash payments at the time various certificates are ordered and the cash payments are reflected as unearned revenue. Revenue is recognized at the time the service is completed and the certificate is issued.

Financial instruments

Fair market value

Financial instruments of the Agency consist mainly of cash and short term deposits, accounts receivable, accounts payable, unearned revenue and accrued liabilities apporximate their fairm market value due to their short term maturity.

Credit risk

The Agency is exposed, in its normal course of business, to credit risk from its customers. No one single party accounts for a significant balance of accounts receivable.

Financial risk

Financial risk is the risk to the Agency's earnings that arises from fluctuations in interest rates and the degree of volatility of these rates. The Agency does not use derivative instruments to reduce its exposure to interest risk.

Measurement uncertainty

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known. Actual amounts could differ from these estimates.

3. WAIVER OF FEES

The Agency charges no fee for services in exchange for services from the following organizations:

(a) The Manitoba Development Centre, health care facilities, the Chief Medical Examiner's Office (Manitoba Justice), the Manitoba Funeral Association and the Department of Anatomy of the University of Manitoba as they provide services in accordance with The Vital Statistics Act.
(b) Child and Family Services Regional Operations of Manitoba Family Services to act as issuers of Marriage Licences and handling related administrative duties.
(c) Vital Statistics Offices in other jurisdictions through agreements to exchange information between jurisdictions as it relates to one another's residency or birthplace.

Services provided under the above agreements are valued at $4 for the year ended March 31, 2006 (2005 - $5).

The Vital Statistics Agency provides the following services without compensation to the Federal Government:

(a) Statistics Canada for national tabulation and statistical information. Statistics Canada provides payment for the microdata and microfilm records from the Vital Statistics Agency and provides half of the cost of printing registration forms.
(b) Health and Welfare Canada (Indian and Northern Affairs).

Waiver of fees - continued

Services provided under the above agreements are valued at $nil for the year ended March 31, 2006 (2005 - $nil).

The Agency provides services without compensation to victims of crimes as follows:

In March of 1998, the Ministers of Justice, Consumer and Corporate Affairs, and Highways and Transportation agreed that the fees for replacement documents should be waived. Representatives of Vital Statistics and the Division of Driver and Vehicle Licensing met to coordinate the process so the public would receive the same program from both agencies.

Effective January 1, 1999, members of the public who have had their birth certificate stolen during a criminal act can request replacement certificates and have the fee waived. This does not apply to members of the public who have lost their identification or individuals who are non-residents of Manitoba. Clients are asked to indicate that they are requesting a waiver of fees as a result of a criminal act and to provide police incident number.

Service provided under the above arrangement are valued at $15 for the year ended March 31, 2006 (2005 - $22).

4. ACCOUNTS RECEIVABLE

	2006	2005
Trade	$ 68	$ 54
Interest	2	1
	70	55
Allowance for doubtful accounts	5	5
	$ 65	$ 50

5. RECEIVABLE FROM PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for severance pay benefits prior to April 1, 1998. The timing and the collection of this receivable will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2006

6. CAPITAL ASSETS

	2006		2005	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Data conversion	$ 1,050	$ 726	$ 994	$ 645
Furniture and fixtures	114	105	107	99
Information system	1,170	852	1,120	681
Leasehold improvements	86	80	84	74
Office equipment	158	141	158	125
Security equipment	42	42	42	41
	2,620	1,946	2,505	1,665
Net Book Value	$ 674		$ 840	

7. PENSION BENEFITS

Employees of the Vital Statistics Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA) administered by the Civil Service Superannuation Board (CSSB). The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the Vital Statistics Agency, through the Civil Service Superannuation Fund (CSSF).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Vital Statistics Agency transferred to the Province the pension liability for its employees. Commencing April 1, 2001, the Agency was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2006 was $69 (2005 - $65). Under this agreement, the Agency has no further pension liability.

8. SEVERANCE PAY LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2005. The report provides a formula to update the liability on an annual basis. The Vital Statistics Agency's actuarially determined net liability for accounting purposes as at March 31, 2006 was $209 (2005 - $184). Commencing in the 2006 fiscal year, the actuarial loss of $37 is being amortized over the 15 year expected average remaining service life of the employee group.

9. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental of facilities at 254 Portage Avenue. Occupancy charges for the year ending March 31, 2007 are estimated to be $193 (2006 - $184).

10. FINANCING ARRANGEMENTS

Working capital advances and long term financing for significant capital purchases are provided to the Agency through the Special Operating Agencies Financing Authority. The Financing Authority has approved a $250 limit for working capital advances for the Agency. The Agency has not accessed working capital advances in the current year.

Schedule 1

SCHEDULE OF OPERATING EXPENSES
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005
Accommodation	$ 184	$ 164
Advertising	3	19
Bad debts	4	5
Central government charges	76	65
Computer information system	235	251
Office equipment support	25	26
Office supplies	25	26
Other operating expenses	50	43
Printed material supplies	80	91
Professional fees	27	28
Supplies for mechanized systems	15	16
Telecommunications	27	26
Training	3	6
Transportation and freight	164	142
	$ 918	$ 908

Schedule 2

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2006

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION 2006	COMPENSATION 2005
Caroline Kaus	Chief Operating Officer	$ 86	$ 84
Rudy Gerling	Manager of Finance, Administration and Marketing	67	64
Janet Usher	Assistant Director	62	58

CIVIL LEGAL SERVICES

FINANCIAL STATEMENTS

MARCH 31, 2006

Manitoba

Justice

Civil Legal Services
SOA

Room 730
Woodsworth Building
405 Broadway
Winnipeg, Manitoba CANADA
R3C 3L6

PH: (204) 945-2845
FAX: (204) 948-2041

File No.
In reply please refer to:
C. Lynn Romeo
A/Chief Operating Officer

Civil Legal Services
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility of Financial Reporting

The Agency's management is responsible for the financial statements and other financial information in the annual report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and the results of operations in accordance with generally accepted accounting principles. The financial statements have been audited by Magnus & Buffie, Chartered Accountants, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that the transactions are authorized, properly recorded and reported and that the assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, and to discuss the results of their audit and their views on the adequacy of internal controls and the quality of the financial reporting.

C. Lynn Romeo
A/Chief Operating Officer

May 8, 2006

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

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MARCH 31, 2006

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MAGNUS & BUFFIE

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Civil Legal Services, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2006 and the statements of earnings and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2006 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

May 8, 2006

CHARTERED ACCOUNTANTS

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2006

	2006	2005
ASSETS		
CURRENT ASSETS		
Cash and short term deposits	$ 1,087	$ 814
Accounts receivable	208	450
	1,295	1,264
RECEIVABLE FROM PROVINCE OF MANITOBA (Note 4)	379	379
CAPITAL ASSETS (Note 5)	58	46
TRUST ASSET	8	8
	$ 1,740	$ 1,697
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 8	$ 165
Vacation payable	343	360
	351	525
SEVERANCE LIABILITY (Note 6)	468	457
TRUST LIABILITY	8	8
	827	990
EQUITY		
RETAINED EARNINGS	913	707
	$ 1,740	$ 1,697

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF EARNINGS AND RETAINED EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005
REVENUE		
Recoveries	$ 5,405	$ 5,011
Interest and other	19	17
	5,424	5,028
EXPENSES		
Advertising and promotion	1	1
Amortization	36	48
Communications	39	35
Computer	41	32
Desktop management initiative	155	196
Equipment rental	5	6
Government records centre	21	18
Law Society fees	45	43
Miscellaneous	9	8
Occupancy	180	216
Office	48	48
Postage and deliveries	10	10
Professional fees and services	43	38
Publications	26	29
Travel	24	22
Wages and benefits	4,285	4,085
	4,968	4,835
NET EARNINGS FOR THE YEAR	456	193
RETAINED EARNINGS, beginning of year	707	714
	1,163	907
REVENUE SHARING - PROVINCE OF MANITOBA	250	200
RETAINED EARNINGS, end of year	$ 913	$ 707

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW

(in thousands)

FOR THE YEAR ENDED MARCH 31, 2006	2006	2005
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net earnings for the year	$ 456	$ 193
Adjustment for		
Amortization	36	48
	492	241
Changes in the following		
Accounts receivable	242	(60)
Accounts payable and accrued liabilities	(157)	37
Vacation payable	(17)	(48)
Severance liability	11	43
	571	213
FINANCING ACTIVITY		
Revenue sharing - Province of Manitoba	(250)	(200)
INVESTING ACTIVITY		
Capital asset additions	(48)	(9)
CHANGE IN CASH AND SHORT TERM DEPOSITS	273	4
CASH AND SHORT TERM DEPOSITS, beginning of year	814	810
CASH AND SHORT TERM DEPOSITS, end of year	$ 1,087	$ 814

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2006

1. NATURE OF ORGANIZATION

The role of Civil Legal Services (the "Agency") flows from the constitutional and statutory responsibilities of the Minister of Justice as the Chief Legal Advisor to government and the guardian of the public interest. Acting pursuant to government policy, the Agency is responsible for providing a full range of high quality legal services, on a cost recovery basis, to its clients, namely the Province of Manitoba, the province's agencies, boards and commissions and some Crown organizations.

Effective April 1, 1995, the Agency was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating status, assists the Agency to sustain the provision of high quality legal services to its clients.

A Management Agreement between the Financing Authority and the Minister of Justice assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of the Financing Authority.

The Agency continues to be part of Manitoba Justice under the general direction of the Deputy Minister and Minister.

The Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Agency is economically dependent on the Province of Manitoba because it derives most of its revenue from the Province and all of its financing requirements through the Financing Authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting: The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are summarized as follows:

Capital Assets: Capital assets are recorded at cost and are amortized over their estimated useful lives as follows:

Computer Equipment and Software	20% straight line (10% in year of acquisition)
Furniture and Fixtures	20% straight line (10% in year of acquisition)
Leasehold Improvements	20% straight line (10% in year of acquisition)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The percentage of completion method of accounting is used, whereby revenue is recognized proportionately with the degree of completion of the legal services provided.

Financial instruments

It is management's opinion that the carrying value of the Agency's financial instruments approximates their fair value, except for the receivable from the Province of Manitoba which cannot be reasonably estimated due to the nature of the underlying terms of collection. In addition, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. FINANCING ARRANGEMENTS

The Special Operating Agencies Financing Authority has provided the Agency with an authorized line of working capital of $500 of which $nil was used at March 31, 2006.

4. RECEIVABLE FROM PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency and severance pay benefits prior to April 1, 1998. The balance is comprised of:

	2006	2005
Vacation Entitlements	$ 140	$ 140
Severance Pay Benefits	239	239
	$ 379	$ 379

The timing of the collection of these receivables will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2006

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2006	Net Book Value 2005
Computer Equipment and Software	$ 123	$ 71	$ 52	$ 27
Furniture and Fixtures	191	185	6	17
Leasehold Improvements	53	53	-	2
	$ 367	$ 309	$ 58	$ 46

6. SEVERANCE LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2005. The report provides a formula to update the liability on an annual basis. The Agency's actuarially determined net liability for accounting purposes as at March 31, 2006 was $468 (2005 - $457). Commencing in the 2006 fiscal year the actuarial loss of $87 is being amortized over the 15 year expected average remaining service life of the employee group.

7. PENSION BENEFITS

Employees of the Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board (CSSB). The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the Agency, through the Civil Service Superannuation Fund.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, the Agency was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2006 was $208 (2005 - $199). Under this agreement the Agency has no further pension liability.

8. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental facilities at 405 Broadway. Occupancy charges for the year ending March 31, 2007 are estimated to be $232.

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2006

Pursuant to the disclosure required by the Public Sector Compensation Disclosure Act, no remuneration or other benefits were paid to the Advisory Board members. The following employees or officers received compensation of $50 or more.

EMPLOYEE	TITLE	COMPENSATION 2006	COMPENSATION 2005
I. Allen	Legal Counsel	$ 111	$ 104
E. Andres	Legal Counsel	108	100
J. Barak	Legal Counsel	91	85
A. Berg	Legal Counsel	120	111
T. Bjornson	Legal Counsel	95	87
S. Boyd	Legal Counsel	60	54
T. Brothers	Legal Counsel	86	-
M. Ducharme	Financial Officer	55	52
J. Frederickson	Legal Counsel	93	75
I. Frost	Legal Counsel	110	106
D. Gisser	Legal Counsel	114	106
D. Guenette	Legal Counsel	93	-
T. Hague	Director	177	106
G. Hannon	Legal Counsel	119	109
S. Hoeppner	Legal Counsel	110	99
B. Jones	Legal Counsel	86	77
J. Kapac	Legal Counsel	114	93
A. Ladyka	Legal Counsel	82	75
D. Lofendale	Legal Counsel	112	102
J. Mann	Legal Counsel	67	-
W. McFetridge	Legal Counsel	120	111
M. McGunigal	Legal Counsel	95	88
G. Mildren	Legal Counsel	120	111
K. Nicholson	Administration Officer	-	50
S. Pierce	Legal Counsel	114	106
K. Ranson	Legal Counsel	84	75
C. Romeo	Legal Counsel	119	111
K. Scott	Legal Counsel	94	90
V. Smith	Legal Counsel	56	53
A. Stevens	Legal Counsel	84	75
N. Trenholm	Legal Counsel	114	105
M. Webb	Legal Counsel	114	106
I. Wiebe	Legal Counsel	86	77
R. Winters	Legal Counsel	115	106

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating
Agencies Financing Authority
Province of Manitoba

Financial Statements

For the year ended March 31, 2006

M·E·R·L·I·N

Manitoba • Education • Research • Learning • Information • Networks

The accompanying financial statements are the responsibility of the Management of Manitoba Education, Research and Learning Information Networks (MERLIN) and have been prepared in accordance with Canadian generally accepted accounting principles. In Management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating Management's best judgement regarding all necessary estimates and all other data available up to May 12, 2006.

Management maintains internal controls to properly safeguard MERLIN's assets. These controls also provide reasonable assurance that the books and records from which financial statements are derived accurately reflect all transactions, and that established policies and procedures are followed.

The Auditors' responsibility is to express an independent opinion on whether the financial statements of MERLIN are fairly presented in accordance with Canadian generally accepted accounting principles. The Auditors' report outlines the scope of the audit examination and provides an audit opinion.

On behalf of Management,

CJ Ackland
Cathy Ackland
Chief Operating Officer (Acting)

David Olafson
Controller

Manitoba Education, Research and Learning Information Networks (MERLIN)

May 12, 2006

www.merlin.mb.ca

Room 137 – Education Building, University of Manitoba, Winnipeg, MB R3T 2N2
TOLL FREE: 1-800-430-6404 TEL: (204) 474-7800 FAX: (204) 474-7830

MERLIN is a special operating agency with the Department of Energy, Science and Technology.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority Province of Manitoba

Financial Statements

For the year ended March 31, 2006

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BDO Dunwoody LLP/s.r.l.
Chartered Accountants and Advisors
Comptables agréés et conseillers

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Winnipeg Manitoba Canada R3C 4L5
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Auditors' Report

To the Special Operating Agencies Financing Authority:

We have audited the balance sheet of **MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS**, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2006 and the statements of income and deficit, and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 12, 2006

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Balance Sheet

(In Thousands)

March 31	2006	2005
Assets		
Current Assets		
Cash and funds on deposit	$ 573	$ 401
Accounts receivable	119	289
Prepaid expense	64	99
	756	789
Receivable from the Province of Manitoba (Note 2)	47	47
Capital assets (Note 3)	81	146
	$ 884	$ 982
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued expenses	$ 251	$ 274
Unearned revenue	80	75
	331	349
Cyberschools (Note 6)	786	917
Severance pay liability (Note 7)	82	73
	1,199	1,339
Commitments (Note 9)		
Deficit (Page 4)	(315)	(357)
	$ 884	$ 982

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Statement of Income and Deficit

(In Thousands)

For the year ended March 31	2006	2005
Revenue		
Province of Manitoba - Energy, Science and Technology Funding	$ 446	$ 446
Fee for goods and services	2,037	1,912
Other	9	8
Cyberschools	131	310
	2,623	2,676
Expenses		
Advertising and promotion	15	16
Amortization	80	96
Audit and legal fees	7	24
Bad debts	-	7
Communications	261	251
Conferences	-	24
Cost of purchases for resale	1,126	933
Cyberschools		
Salaries and benefits	91	140
Other expenses	40	170
Equipment repair and maintenance	68	78
Occupancy	53	55
Office and miscellaneous	24	21
Professional development	6	13
Purchased services	2	3
Salaries and benefits	781	838
Travel	27	35
	2,581	2,704
Net income (loss) for the year	42	(28)
Deficit, beginning of year	(357)	(329)
Deficit, end of year (Page 3)	$ (315)	$ (357)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Statement of Cash Flows

(In Thousands)

For the year ended March 31	2006	2005
Cash Flows from Operating Activities		
Net income (loss) for the year	$ 42	$ (28)
Adjustment for		
Amortization	80	96
	122	68
Changes in non-cash working capital		
Accounts receivable	170	(104)
Prepaid expenses	35	32
Accounts payable	(23)	66
Unearned revenue	5	4
Trust liability	-	(1)
	187	(3)
Severance liability	9	7
	318	72
Cash Flows from Investing Activities		
Capital assets	(15)	(13)
Cash Flows from Financing Activities		
Cyberschools	(131)	(310)
Net increase (decrease) in cash and cash equivalents	172	(251)
Cash and cash equivalents, beginning of year	401	652
Cash and cash equivalents, end of year	$ 573	$ 401

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Summary of Significant Accounting Policies

March 31, 2006

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Capital Assets

Capital assets are recorded at cost and are amortized annually on a straight-line basis as follows:

Computer hardware	20%
Computer software	20%
Equipment and furniture	20%

In the year of acquisition, amortization is calculated at one-half the rate indicated.

Revenue Recognition

Provincial funding is recognized over the term for which it applies.

Fees for service are recognized as the service is performed or ownership of goods has been transferred. Internet charges are recognized once service has been provided, and billed at the end of each quarter. Special projects are billed based on the terms of the contract.

Revenues for the Cyberschools project have been received in advance and are taken into income as expenditures are incurred.

Financial Instruments

The Agency's financial instruments consist of cash and funds on deposit, accounts receivable, accounts payable and accrued expenses and severance pay liability. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

1. Nature of Organization

Effective April 1, 1995, Manitoba Education, Research and Learning Information Networks (MERLIN) was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council. Effective September 25, 2002, the Agency operates as part of Manitoba Energy, Science and Technology, under the general direction of the Deputy Minister.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business like manner according to public policy expectations.

A Management Agreement between SOAFA and the Minister of Energy, Science and Technology assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of SOAFA.

The Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

The Agency is economically dependent on the Province of Manitoba as it derives much of its revenue and all of its financing requirements from the Province.

2. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is made up of vacation entitlement earned by the employees of the Agency prior to creation of the Special Operating Agency on April 1, 1995 and for severance pay benefits earned prior to April 1, 1998. This receivable, or portion thereof, for the Agency, will be collected in the event there is a cash shortfall. However, this is only likely to happen on dissolution of the Agency. The balance consists of:

	2006	2005
Vacation entitlements	**$ 19**	$ 19
Severance pay benefits	**28**	28
	$ 47	$ 47

3. Capital Assets

	2006 Cost	2006 Accumulated Amortization	2005 Cost	2005 Accumulated Amortization
Computer hardware	$ 401	$ 332	$ 402	$ 286
Computer software	8	8	18	18
Equipment and furniture	94	82	96	66
	$ 503	$ 422	$ 516	$ 370
Cost less accumulated amortization		$ 81		$ 146

4. Working Capital Advances

These advances are provided to the Agency through the Special Operating Agencies Financing Authority pursuant to the Management Agreement. The Agency has an authorized line of working capital advances of $2.0 million of which $NIL was used at March 31, 2006.

During the year, the Agency incurred interest charges of $NIL (2005 - $NIL).

5. Accrued Vacation Entitlements

The Agency follows the policy of the Department of Finance to recognize accumulated vacation entitlement liability. The liability is offset by a receivable from the Province of $19, which was the balance as at March 31, 1998. Any subsequent changes to the entitlement are reflected as a current year expense to the Agency. At March 31, 2006, the accrued vacation entitlement was $117 (2005 - $97).

6. Cyberschools

The Agency has entered into an agreement with Community Connections to develop, implement and operate a province-wide communication gateway/portal to support K-S4 education and Community Connections lifelong learners. The service will include access to secure email, calendars, and file storage.

Receipts and disbursements are as follows:

	2006	2005
Deferred balance, beginning of year	**$ 917**	1,227
Disbursements	**(131)**	(310)
Deferred balance, end of year	**$ 786**	$ 917

7. Severance Pay Liability

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2005. The report provides a formula to update the liability on an annual basis. The Agency's actuarially determined net liability for accounting purposes as at March 31, 2006 was $82 (2005 - $73). Commencing in the 2006 fiscal year the actuarial loss of $2 is being amortized over the 15 year expected average remaining service life of the employee group.

8. Revenue - Manitoba Education, Citizenship and Youth

The Agency is responsible for the delivery of distance education and technology programs formerly provided through the Manitoba Education, Citizenship and Youth. The Agency receives a fee from the Department, established annually and paid quarterly, in exchange for delivery of these services.

9. Commitments

The Agency leases office space under a long-term lease which expires September 30, 2006. The future minimum payments required under this lease are:

2007	$	26

The Agency is in discussion to enter into a lease for the period from October 1, 2006 to January 31, 2009. The anticipated future minimum payments for base rent under this lease are:

2007	$	18
2008		36
2009		30

10. Pension Benefits

Employees of the Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board (CSSB). The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the Manitoba Education, Research & Learning Information Network, through the Civil Service Superannuation Fund (CSSF).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees. Commencing April 1, 2001, the Agency was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2006 was $48 (2005 - $38). Under this agreement, the Agency has no further pension liability.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Schedule of Operating Results by Functional Area

(In Thousands)

For the year ended March 31	2006	2005
Revenue		
Provincial licensing and purchasing	$ **1,303**	$ 1,102
Internet services	**446**	426
Information technology services	**296**	315
Provincial technology standards	**100**	100
Electronic conferencing	**155**	183
Web delivery services	**157**	182
Technical training services	**35**	58
Cyberschools	**131**	310
Total revenue	**2,623**	2,676
Expenses		
Provincial licensing and purchasing	**1,293**	1,090
Internet services	**431**	527
Information technology services	**277**	290
Provincial technology standards	**95**	103
Electronic conferencing	**149**	181
Web delivery services	**158**	152
Technical training services	**47**	51
Cyberschools	**131**	310
Total expenses	**2,581**	2,704
Net Income (Loss)		
Provincial licensing and purchasing	**10**	12
Internet services	**15**	(101)
Information technology services	**19**	25
Provincial technology standards	**5**	(3)
Electronic conferencing	**6**	2
Web delivery services	**(1)**	30
Technical training services	**(12)**	7
Cyberschools	**-**	-
Total net income (loss) for the year	**42**	(28)
Deficit, beginning of year	**(357)**	(329)
Deficit, end of year	$ **(315)**	$ (357)

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Schedule of Public Sector Compensation Disclosure

(In Thousands)

For the year ended March 31, 2006

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2006, the following employees received compensation of $50 or more:

Employee	Title	Compensation
Ackland, Catherine	Acting Chief Operating Officer	$ 72
Bater, Jared	Consultant, Unix Technologies	63
Baylis, Greg	Chief Operating Officer	94
Bender, Kiley	Senior Consultant	61
Greider, Warren	Consultant, Internet Technologies	71
Hiebert, John	Consultant, Networking Technologies	64
Jennings, Debra	Regional Representative	64
Lafond-D'Heilly, Colette	Communications and Marketing Manager	61
Wallin, Grant	Manager, Information and Communication Technologies	77

LAND MANAGEMENT SERVICES

FINANCIAL STATEMENTS

MARCH 31, 2006

Crown Lands & Property Agency

Land Acquisition Branch

Land Management Services (LMS), management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of *LMS'* financial position and the results of its operations and its cash flows in accordance with Canadian Generally Accepted Accounting Principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgment regarding all necessary estimates and all other data available through May 12, 2006.

Management maintains internal controls to properly safeguard *LMS'* assets. These controls also provide reasonable assurance that the books and records from which financial statements are derived accurately reflect all transactions, and that established policies and procedures are followed.

LMS' financial statements have been audited by Magnus & Buffie Chartered Accountants, independent external auditors. The auditors' responsibility is to express an independent opinion on whether the financial statements of *LMS* are presented fairly, in all material respects, in accordance with Canadian Generally Accepted Accounting Principles. The Auditors' Report outlines the scope of their audit examination and provides their audit opinion.

On behalf of the *Land Management Services* management,

Rae Csversko
Chief Operating Officer

Normand Le neal
Manager, Finance

May 16, 2006

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

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MARCH 31, 2006

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MAGNUS & BUFFIE

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Land Management Services, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2006 and the statements of income and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2006 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

May 16, 2006

CHARTERED ACCOUNTANTS

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2006

		2006		2005
ASSETS				
CURRENT ASSETS				
Cash	$	-	$	475
Accounts receivable		149		107
Work in process		219		156
Prepaid expenses		36		27
		404		765
DISCHARGE FUNDS HELD IN TRUST (Note 3)		4		4
RECEIVABLE FROM PROVINCE OF MANITOBA (Notes 4 and 8)		324		324
CAPITAL ASSETS (Note 5)		172		220
	$	904	$	1,313
LIABILITIES				
CURRENT LIABILITIES				
Working capital payable (Note 6)	$	184	$	-
Accounts payable and accrued liabilities		170		277
Unearned revenue		27		-
Property proceeds payable (Note 7)		245		265
Client funds payable		65		163
		691		705
SEVERANCE PAY LIABILITY (Note 8)		219		203
UNEARNED REVENUE (Note 3)		4		4
		914		912
EQUITY				
(DEFICIT) RETAINED EARNINGS		(10)		401
	$	904	$	1,313

STATEMENT OF INCOME AND RETAINED EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005
RECOVERIES	$ 1,949	$ 2,517
OTHER INCOME	-	17
INCOME BEFORE EXPENSES	1,949	2,534
EXPENSES		
Administrative (Page 9)	487	489
Operating (Page 9)	131	142
Wages and benefits	1,492	1,609
	2,110	2,240
NET (LOSS) INCOME FOR THE YEAR	(161)	294
RETAINED EARNINGS, beginning of year	401	357
	240	651
REVENUE SHARING - PROVINCE OF MANITOBA	250	250
(DEFICIT) RETAINED EARNINGS, end of year	$ (10)	$ 401

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW
(in thousands)

FOR THE YEAR ENDED MARCH 31, 2006	2006	2005
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net (loss) income for the year	$ (161)	$ 294
Adjustments for		
Amortization	75	94
Loss on disposal of capital assets	1	-
	(85)	388
Changes in the following		
Accounts receivable	(42)	245
Work in process	(63)	(99)
Prepaid expenses	(9)	12
Accounts payable and accrued liabilities	(107)	19
Property proceeds payable	(20)	(116)
Change in severance pay liability	16	(13)
Unearned revenue	27	(1)
	(283)	435
FINANCING ACTIVITIES		
Change in discharge funds held in trust	-	1
Change in client funds payable	(98)	2
Revenue sharing - Province of Manitoba	(250)	(250)
	(348)	(247)
INVESTING ACTIVITY		
Capital asset additions	(28)	(78)
CHANGE IN CASH AND CASH EQUIVALENTS	(659)	110
CASH AND CASH EQUIVALENTS, beginning of year	475	365
CASH AND CASH EQUIVALENTS, end of year	$ (184)	$ 475

Cash and cash equivalents consist of working capital payable of $184 (2005 - cash of $475).

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2006

1. NATURE OF ORGANIZATION

In 1965, The Land Acquisition Act was passed into law, bringing the Land Acquisition Branch into existence to provide a consistent process of real estate acquisition by government

Effective April 1, 1995, the Land Acquisition Branch, under the operating name Land Management Services ("LMS"), was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

LMS is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from LMS operations. It finances LMS through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating status, assist LMS to sustain the provision of high quality land acquisition services to its clients.

A Management Agreement between the Financing Authority and the Minister of of Transportation and Government Services assigns responsibility to LMS to manage and account for LMS related assets and operations on behalf of the Financing Authority.

LMS continues to be part of Manitoba Transportation and Government Services under the general direction of the Assistant Deputy Minister - Supply and Service Division, and ultimately the policy direction of the Deputy Minister and Minister of Transportation and Government Services.

LMS remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

LMS is economically dependent on the Province of Manitoba because it derives most of its revenue and all of its financing requirements from the Province through the Financing Authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Capital assets

Capital assets are recorded at cost and are amortized annually based on the following rates and methods:

Computer software and equipment	20% straight line basis, 10% in year of acquisition
Equipment - office	20% straight line basis, 10% in year of acquisition
Leasehold improvements	20% straight line basis, 10% in year of acquisition

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Revenue recognition

The percentage of completion method of accounting is used, whereby revenue is recognized proportionately with the degree of completion of the contracted work.

(d) Financial instruments

It is management's opinion that the carrying value of LMS's financial instruments approximates their fair value, except for the receivable from the Province of Manitoba which cannot be reasonably estimated due to the nature of the underlying terms of collection. In addition, it is management's opinion that LMS is not exposed to significant interest, currency or credit risks arising from these financial instruments.

3. DISCHARGE FUNDS HELD IN TRUST AND UNEARNED REVENUE

Discharge funds held in trust and the long term portion of unearned revenue represents the fee for finalizing to consolidate titles on discharge of mortgages on properties being consolidated. This fee is put into a special interest bearing trust account and the revenue deferred. When the mortgage is discharged the deferred revenue will be recognized and the funds released from the trust account. It is estimated some files could be completed in as little as two years and as many as 20 years.

4. RECEIVABLE FROM PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of LMS prior to creation of the Special Operating Agency and severance pay benefits prior to April 1, 1998. The balance is comprised of:

	2006	2005
Vacation entitlements	$ 132	$ 132
Severance pay benefits (Note 8)	192	192
	$ 324	$ 324

The timing and collection of these receivables will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of LMS.

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2006	Net Book Value 2005
Computer software and equipment	$ 874	$ 715	$ 159	$ 192
Equipment - office	61	48	13	26
Leasehold improvements	-	-	-	2
	$ 935	$ 763	$ 172	$ 220

6. WORKING CAPITAL

LMS has an authorized line of working capital of $800, $184 of which was accessed at March 31, 2006. Interest is based on prime minus 1.0%.

7. PROPERTY PROCEEDS PAYABLE

LMS disposes of general Federal, Provincial, and Municipal properties including Crown corporations, Boards and Agencies on a cost recovery basis. As at March 31, 2006, LMS had received proceeds on sales in excess of disposition costs of $245 (2005 - $265) which is outstanding and due to the various entities at year-end.

The cost and recoveries are recorded on a net basis on these financial statements.

8. SEVERANCE PAY LIABILITY

Effective April 1, 1998, LMS began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by LMS's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $188 was completely offset by a receivable from the Province.

An actuarial valuation report of LMS's severance as at March 31, 2000 was completed in prior years. The receivable from the Province was restated to $192 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the LMS's actuarial liability has been calculated to be $219 as at March 31, 2006.

9. PENSION BENEFITS

Employees of the LMS are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board (CSSB). The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the LMS, through the Civil Service Superannuation Fund (CSSF).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the LMS transferred to the Province the pension liability for its employees. Commencing April 1, 2001, LMS was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2006 was $51 (2005 - $59). Under this agreement, LMS has no further pension liability.

10. SURPLUS PROPERTIES

LMS is responsible for the disposition of certain surplus Provincial properties. In accordance with direction from the Provincial Treasury Board, LMS has established a $200 reserve account within retained earnings to cover any aggregate annual disposition costs which exceed the proceeds of surplus Provincial properties offered for sale. LMS can retain excess proceeds over disposition costs of surplus Provincial properties to the extent of any cumulative unrecovered historical shortages.

11. LEASE COMMITMENTS

LMS has not entered into a lease agreement with the Province of Manitoba for rental facilities at 25 Tupper Street N. Occupancy charges for the year ending March 31, 2007 are estimated to be $115 (2006 - $110).

LMS is also leasing office equipment and vehicles from the Province of Manitoba, with future estimated lease payments as follows:

Year	Amount
2007	$ 30
2008	21
2009	17
2010	16
2011	3

12. SUBSEQUENT EVENTS

Effective April 1, 2006, a new Agency was formed through the dissolution of Land Management Services Agency (Land Acquisition Branch) of Manitoba Transportation and Government Services and reconstituted by consolidating the Land Acquisition Branch with Lands Branch and Parks District Records Unit (formerly of Manitoba Conservation), as well as Agricultural Crown Lands Program (formerly of Manitoba Agriculture, Food and Rural Initiatives). The new SOA, the Crown Lands and Property Agency, will report under the Manitoba Transportation and Government Services - Supply and Services Division.

SCHEDULE OF EXPENSES
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005
ADMINISTRATIVE		
Amortization	$ 75	$ 94
Computer maintenance	50	53
Contributed services	71	34
Human resources overhead	18	18
IT leasing and support	73	98
Occupancy costs	110	104
Other	41	29
Supplies	11	12
Training	38	47
	$ 487	$ 489

	2006	2005
OPERATING		
Printing, postage and advertising	$ 26	$ 22
Professional fees	29	38
Telephone	21	20
Travel	55	62
	$ 131	$ 142

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2006

Pursuant to the disclosure required by the Public Sector Compensation Act, no remuneration or other benefits were paid to the board members.

The Public Sector Compensation Disclosure Act also requires all publicly funded bodies to disclose compensation to any employee or officer when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION	
		2006	2005
Raeburn Csversko	Chief Operating Officer	$ 93	$ 84
Scott Millar	Property Appraiser	72	60
Garfield Minkus	Property Appraiser	64	60
Aurel Pantel	Property Appraiser	62	56
Normand Le Neal	Controller	61	58
Calvin Pishak	Info Technologist	59	54
Rob Lucky	Property Appraiser	58	58
Kurt Wright	Interim Acting Manager of Appraisals	56	60
Jerry McLeod	Property Appraiser	56	53
Judy Sonley	Property Appraiser	55	53
Faren Chadney	Info Technologist	55	-
Rodney Kent	Manager of Property Administration	54	50
Mary Ann Penner	Property Appraiser	54	-
Leonard Bernat	Property Appraiser	52	-
Edwin Froese	Property Appraiser	-	74
Larry Pearson	Property Appraiser	-	63

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority

Financial Statements
For the year ended March 31, 2006

BDO Dunwoody LLP/s.r.l.
Chartered Accountants
and Advisors

Comptables agréés
et conseillers

Pineland
Forest Nursery

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of the management of Pineland Forest Nursery and have been prepared in accordance with generally accepted accounting principles. In management's opinion the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data up to May 27, 2006.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

The responsibility of the Auditor is to express an independent opinion on whether the financial statements of Pineland Forest Nursery are fairly represented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

Trevor Stanley
General Manager

May 27, 2006

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PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority

Financial Statements
For the year ended March 31, 2006

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BDO

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Auditors' Report

To The Special Operating Agencies Financing Authority:

We have audited the balance sheet of **PINELAND FOREST NURSERY**, An Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2006 and the statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Nursery's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Nursery as at March 31, 2006, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 26, 2006

BDO Dunwoody LLP *is a Limited Liability Partnership registered in Ontario*
BDO Dunwoody *s.r.l. est une société à responsabilité limitée constituée en Ontario*

PINELAND FOREST NURSERY

An Agency of the Special Operating Agencies Financing Authority

Balance Sheet

(in thousands)

March 31	2006	2005
Assets		
Current Assets		
Accounts receivable (Note 2)	$ 339	$ 274
Unbilled revenue	287	331
Inventory	108	109
Prepaid expenses	48	49
	782	763
Receivable from the Province of Manitoba (Note 3)	187	187
Capital assets (Note 4)	1,876	2,113
	$ 2,845	$ 3,063
Liabilities and Equity		
Current Liabilities		
Working capital advances (Note 5)	$ 2,107	$ 2,113
Accounts payable and accrued liabilities	136	200
	2,243	2,313
Severance pay liability (Note 6)	185	162
	2,428	2,475
Contributed equity (Note 8)	356	356
Retained earnings (Page 5)	61	232
	417	588
	$ 2,845	$ 3,063

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY

An Agency of the Special Operating Agencies Financing Authority

Statement of Income

(in thousands)

For the year ended March 31	2006	2005
Revenue		
Private sector		
Overwinter	$ 1,028	$ 1,071
Current	395	530
Greenhouse poplar	1	12
Seed services	149	200
Tree improvement	6	30
Poplar program	-	5
Other	-	1
	1,579	1,849
Province of Manitoba		
Overwinter	1,155	1,026
Current	70	69
Seed services	20	15
	1,245	1,110
	2,824	2,959
Expenses		
Salaries and benefits	1,520	1,563
Operating expenses (Page 12)	1,115	1,179
Amortization - capital assets	282	327
Interest - operating loan	78	66
Interest - capital loan	-	5
	2,995	3,140
Net loss for the year (Page 5)	$ (171)	$ (181)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY

An Agency of the Special Operating Agencies Financing Authority

Statement of Retained Earnings

(in thousands)

For the year ended March 31		2006		2005
Retained earnings, beginning of year	$	232	$	413
Net loss for the year (Page 4)		(171)		(181)
Retained earnings, end of year (Page 3)	$	61	$	232

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority
Statement of Cash Flows
(in thousands)

For the year ended March 31	2006	2005
Cash Flows from Operating Activities		
Net loss for the year	$ (171)	$ (181)
Adjustment for		
Amortization - capital assets	282	327
	111	146
Changes in non-cash working capital		
Accounts receivable	(65)	57
Unbilled revenue	44	13
Inventory	1	11
Prepaid expenses	1	(4)
Accounts payable and accrued liabilities	(64)	22
	(83)	99
Severance pay liability	23	15
	51	260
Cash Flows from Investing Activities		
Acquisition of capital assets	(45)	(71)
Cash Flows from Financing Activities		
Repayment of long-term debt	-	(51)
Net increase in cash and cash equivalents	6	138
Cash and cash equivalents, beginning of year	(2,113)	(2,251)
Cash and cash equivalents, end of year	$ (2,107)	$ (2,113)
Supplementary Information		
Interest paid	$ 78	$ 71

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority
Summary of Significant Accounting Policies
(in thousands)

March 31, 2006

Basis of Reporting

The financial statements of the Nursery have been prepared in accordance with Canadian generally accepted accounting principles.

Inventory

Supplies inventory is valued at the lower of cost and replacement cost.

Capital Assets

Capital assets are recorded at cost and amortized on a declining balance basis at the following rates:

Greenhouses, coldframes, freezers, holding area, minor service buildings, major pump-house, major service buildings, propane conversion	10%
Equipment	20% - 30%

Amortization on current year additions is pro-rated based on the length of time in use in the current year.

Accrued Vacation Entitlement

The Nursery follows the policy of the Department of Finance to recognize the vacation entitlement liability accumulated to March 31, 1995. The liability at this date is offset by a receivable from the Province and was $99 as at March 31, 1995. Any subsequent changes to the entitlement are reflected as a current year expense to the Nursery. As at March 31, 2006 there was a decrease to the entitlement in the amount of $5. The accrued vacation entitlement was $111 as of March 31, 2006 (2005 - $116) and is included in accounts payable and accrued liabilities.

Revenue Recognition

Revenues are recognized on a percentage of completion basis. Any excess of revenue recorded on a percentage of completion basis over amounts billed is recorded as unbilled revenue.

Financial Instruments

The Nursery's financial instruments consist of accounts receivable, unbilled revenue, working capital advances, accounts payable and accrued liabilities and severance pay liability. Unless otherwise noted, it is management's opinion that the Nursery is not exposed to significant interest, currency, or credit risks arising from these financial instruments.

It is management's opinion that the fair value of these financial instruments approximates their carrying value.

Use of Estimates	The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

1. Nature of Organization

In 1953, Pineland Provincial Forestry Nursery was established to meet all the nursery stock requirements of the Province at one location. Prior to 1953 there were several small nurseries located throughout the Province. Effective April 1, 1995, Pineland Forest Nursery was designated as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. c.S185) and operates under a charter approved by the Lieutenant Governor in Council.

A management agreement between the Financing Authority and the Minister of Conservation assigns responsibility to the Nursery to manage and account for the agency related assets and operations on behalf of the Financing Authority. Pineland Forest Nursery continues to be part of Manitoba Conservation under the general direction of the Assistant Deputy Minister of Conservation Programs and ultimately the policy direction of the Deputy Minister and the Minister. Pineland Forest Nursery remains bound by relevant legislation and regulations. It is also bound by administrative policy, except where specific exemptions have been provided for in its charter in order to meet business objectives.

Pineland Forest Nursery is economically dependent on the Province of Manitoba, because it derives a significant portion of its revenue from the Province and all of its financing requirements through the Financing Authority.

2. Accounts Receivable

	2006	2005
Trade Receivables		
Province of Manitoba	$ 94	$ 90
Other	288	227
	382	317
Allowance for doubtful accounts	(43)	(43)
	$ 339	$ 274

3. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is made up of vacation entitlements earned by the employees of the Nursery prior to creation of the Special Operating Agency on April 1, 1995 and for severance pay benefits earned prior to April 1, 1998. This receivable, or portion thereof, for the Nursery, will be collected in the event there is a cash shortfall. However, this is only likely to happen on dissolution of the Nursery. The balance is comprised of:

	2006	2005
Vacation entitlements	$ **99**	$ 99
Severance pay benefits	**88**	88
	$ **187**	$ 187

4. Capital Assets

	2006		2005	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Buildings	$ **3,930**	$ **2,435**	$ 3,919	$ 2,269
Equipment	**1,650**	**1,269**	1,616	1,153
	$ **5,580**	$ **3,704**	$ 5,535	$ 3,422
Cost less accumulated amortization		$ **1,876**		$ 2,113

5. Working Capital Advances

The Financing Authority has provided the Nursery with an authorized line of working capital of $3,000 of which $2,107 was advanced at March 31, 2006 (2005 - $2,113).

6. Severance Pay Liability

Effective April 1, 1998, the Nursery began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2005. The report provides a formula to update the liability on an accrual basis. The Agency's actuarially determined net liability for accounting purposes as at March 31, 2006 was $185 as at March 31, 2006 (2005 - $162). Commencing in the 2006 fiscal year the actuarial loss of $58 is being amortized over the 15 year expected average remaining service life of the employee group.

7. Pension Benefits

Employees of the Nursery are eligible for pension benefits in accordance with the provisions of The Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board (CSSB). The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including Pineland Forest Nursery, through the Civil Service Superannuation Fund (CSSF).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Nursery transferred to the Province the pension liability for its employees. Commencing April 1, 2001, the Agency was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2006 was $62 (2005 - $60). Under this agreement, the Nursery has no further pension liability.

8. Contributed Equity

The Special Operating Agencies Financing Authority and the Province of Manitoba entered into a Transfer Agreement respecting the transfer from the Province to the Financing Authority of inventory and capital assets valued at $712 required for the continuing operations of Pineland Forest Nursery as at March 31, 1995. The Nursery was responsible to repay the Special Operating Agencies Financing Authority the debt portion, in the amount of $356 (being half of the value of the assets) and to record the remainder as the Province's equity in the Financing Authority as related to the Nursery's operations. The debt portion was fully repaid during the 2005 fiscal year.

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority
Schedule of Operating Expenses
(in thousands)

For the year ended March 31		2006		2005
Supplies	**$**	**309**	$	310
Natural gas and hydro		**370**		356
Repairs and maintenance		**131**		216
Property taxes and insurance		**102**		98
Office		**66**		72
Departmental services and professional fees		**51**		46
Freight		**50**		45
Marketing		**14**		12
Travel		**22**		24
	$	**1,115**	$	1,179

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority
Schedule of Public Sector Compensation Disclosure
(in thousands)

For the year ended March 31 **2006**

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2006, the following employees received compensation of $50 or more:

Employee	Title	Compensation
Trevor Stanley	General Manager	$ 78
David Flight	Manager	57
Richard Lepage	Manager	52
David Turchyn	Manager	53

COMPANIES OFFICE

FINANCIAL STATEMENTS

MARCH 31, 2006

RESPONSIBILITY FOR FINANCIAL REPORTING

The Agency's management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgements. The Agency's financial statements have been audited by Magnus & Buffie, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, if required to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

On Behalf of Management;

Myron Pawlowsky
Chief Operating Officer

Dave Rudy
Controller

Date: May 10, 2006

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

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MARCH 31, 2006

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MAGNUS & BUFFIE

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the Companies Office, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2006 and the statements of earnings and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2006 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

May 10, 2006

CHARTERED ACCOUNTANTS

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2006

	2006	2005
ASSETS		
CURRENT ASSETS		
Cash and Short Term Deposits	$ 2,211	$ 1,559
Accounts Receivable (Note 4)	154	281
Prepaid Expenses	22	18
	2,387	1,858
RECEIVABLE FROM PROVINCE OF MANITOBA (Note 5)	218	218
CAPITAL ASSETS (Note 6)	78	95
	$ 2,683	$ 2,171
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable and Accrued	$ 83	$ 65
Accrued Vacation Entitlements	171	161
	254	226
SEVERANCE PAY LIABILITY (Note 7)	224	201
	478	427
EQUITY		
RETAINED EARNINGS	2,205	1,744
	$ 2,683	$ 2,171

STATEMENT OF EARNINGS AND RETAINED EARNINGS
(in thousands)

FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005
REVENUE		
Fees and Services	$ 6,095	$ 5,349
Interest	48	35
	6,143	5,384
EXPENSES		
Salaries and Employee Benefits	1,445	1,470
Operating Expenses (Page 8)	2,595	2,384
Amortization - Capital Assets	27	26
	4,067	3,880
NET EARNINGS FOR THE YEAR	2,076	1,504
RETAINED EARNINGS, Beginning of Year	1,744	1,940
	3,820	3,444
REVENUE SHARE TO PROVINCE OF MANITOBA	1,615	1,700
RETAINED EARNINGS, End of Year	$ 2,205	$ 1,744

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net Earnings for the Year	$ 2,076	$ 1,504
Adjustment for		
Amortization - Capital Assets	37	26
	2,113	1,530
Changes in the following		
Accounts Receivable	127	(128)
Prepaid Expenses	(4)	(2)
Accounts Payable and Accrued	18	(238)
Accrued Vacation Entitlements	10	12
Change in Severance Pay Liability	23	(17)
	2,287	1,157
FINANCING ACTIVITY		
Revenue Share to Province of Manitoba	(1,615)	(1,700)
INVESTING ACTIVITY		
Capital Asset Additions	(20)	(37)
CHANGE IN CASH AND SHORT TERM DEPOSITS	652	(580)
CASH AND SHORT TERM DEPOSITS, Beginning of Year	1,559	2,139
CASH AND SHORT TERM DEPOSITS, End of Year	$ 2,211	$ 1,559

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2006

1. NATURE OF ORGANIZATION

Effective April 1, 1996, the Lieutenant Governor in Council designated the Companies Office (the "Agency") as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. cS185) by Order in Council. Another Order also gave approval to the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Agency (at that time), to enter into a management agreement with respect to the Agency. The management agreement assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of SOAFA. SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. This financial framework enables the Agency to operate in a business like manner according to public policy expectations.

The Agency is part of Manitoba Consumer and Corporate Affairs Division in the Department of Finance under the general direction of the Minister of Finance, the Deputy Minister and Assistant Deputy Minister who is also Chairperson of the Companies Office Advisory Board.

The Agency remains bound by relevant legislation and regulation. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting: The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Capital Assets: Capital assets are amortized over their estimated useful lives as follows:

Computer Equipment and Software	20% straight line (10% in year of acquisition)
Office Equipment	20% straight line (10% in year of acquisition)
Furniture and Fixtures	20% straight line (10% in year of acquisition)
Leasehold Improvements	20% straight line (10% in year of acquisition)

Revenue Recognition: Revenue is recognized when the service is substantially complete.

Financial Instruments: It is management's opinion that the carrying value of the Agency's financial instruments approximates their fair value, except for the receivable from the Province of Manitoba which cannot be reasonably estimated due to the nature of the underlying terms of collection. In addition, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

3. FINANCING ARRANGEMENTS

Working capital advances and long-term financing for significant capital purchases are provided to the Agency through the Special Operating Agencies Financing Authority. The Financing Authority has approved a $100 limit in working capital advances. The Agency did not access working capital advances during the year.

4. ACCOUNTS RECEIVABLE

	2006	2005
Trade	$ 53	$ 40
Accrued Revenue	101	241
	$ 154	$ 281

5. RECEIVABLE FROM PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency and severance pay benefits prior to April 1, 1998. The balance is comprised of:

	2006	2005
Vacation Entitlements	$ 92	$ 92
Severance Pay Benefits	126	126
	$ 218	$ 218

The timing of the collection of these receivables will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2006	Net Book Value 2005
Computer Equipment and Software	$ 63	$ 43	$ 20	$ 26
Office Equipment	16	13	3	5
Furniture and Fixtures	99	76	23	43
Leasehold Improvements	40	8	32	21
	$ 218	$ 140	$ 78	$ 95

Amortization charges for the year amounted to $37 (2005 - $26) of which $8 (2005 - $nil) was expensed in Manitoba Business Links and $2 (2005 - $nil) was expensed in Notaries on the schedule of operating expenses.

7. SEVERANCE PAY LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2005. The report provides a formula to update the liability on an annual basis. The Agency's actuarially determined net liability for accounting purposes as at March 31, 2006 was $224 (2005 - $201). Commencing in the 2006 fiscal year the actuarial loss of $42 is being amortized over the 15 year expected average remaining service life of the employee group.

8. PENSION BENEFITS

Employees of the Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board (CSSB). The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the Agency, through the Civil Service Superannuation Fund (CSSF).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees. Commencing April 1, 2001, the Agency was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2006 was $73 (2005 - $73). Under this agreement, the Agency has no further pension liability.

9. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental facilities at 405 Broadway. Occupancy charges for the year ending March 31, 2007 are estimated to be $139 (2006 - $130).

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF OPERATING EXPENSES
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005
Accounting	$ 13	$ 13
Audit	4	4
Bad Debts	1	2
Bank Charges	23	17
BSI Cost Allocation	1,312	1,370
Communications	27	26
Computer	108	115
Department Services	31	31
Desktop	77	97
Disaster Recovery	45	39
Equipment Maintenance and Rentals	8	6
Insurance	15	14
Legal Services	19	6
Manitoba Business Links	261	183
Miscellaneous	21	17
Notaries	116	-
NUANS	147	145
Office Rent	120	123
Payroll Processing	20	20
Postal and Courier	48	44
Programmers	69	63
Stationery	53	44
System Development - Feasibility Study	51	-
Transportation	6	5
	$ 2,595	$ 2,384

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2006

Pursuant to the disclosure required by the Public Sector Compensation Disclosure Act, no remuneration or other benefits were paid to board members.

The Public Sector Compensation Disclosure Act also requires all publicly funded bodies to disclose compensation to any employee or officer when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION 2006	COMPENSATION 2005
Myron Pawlowsky	Chief Operating Officer	$ 89	$ 84
Joan Alty	Manager, Manitoba Business Links	72	64
Shane Lasker	Acting Deputy Director - Legal	71	66
Dave Rudy	Controller	67	64
Linda Kalinski	Deputy Director - Operations	60	64
Isabelle Aubin	Supervisor	54	57
Ruth Brousseau	Accounting Clerk	-	51
			60

MANITOBA TEXT BOOK BUREAU

An Agency of the Special Operating Agencies
Financing Authority
Province of Manitoba

Financial Statements

For the year ended March 31, 2006

www.mtbb.mb.ca

MANITOBA TEXT BOOK BUREAU
130 - 1st Avenue West
P.O. Box 910
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(866) 771-6822 (MB & Sask.)
Fax: (204) 483-5041

A Special Operating Agency of Manitoba Education, Citizenship and Youth

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding necessary estimates and all other data available.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of the Bureau are properly safeguarded. Staff at the Auditor General's Office review internal controls and report their findings to management.

The responsibility of the Auditor General is to express an independent, professional opinion on whether the financial statements are fairly presented in accordance with Canadian generally accepted accounting principles. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

Brenda McKinny
Chief Operating Officer

Denis Labossiere, C.G.A.
Controller

Souris, Manitoba
May 12, 2006

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Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba
To the Manitoba Text Book Bureau
To the Special Operating Agencies Financing Authority

We have audited the balance sheet of The Manitoba Text Book Bureau, An Agency of the Special Operating Agencies Financing Authority as at March 31, 2006 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Bureau as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
May 12, 2006

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Balance Sheet

(in thousands)

March 31	2006	2005
Assets		
Current		
Cash and cash equivalents	$ 8	$ 11
Accounts receivable	516	445
Inventory	2,284	2,106
Prepaid expenses	22	8
	2,830	2,570
Receivable from Province of Manitoba (Note 3)	64	64
Capital assets (Note 4)	71	92
	$ 2,965	$ 2,726
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 497	$ 807
Interest payable – Province of Manitoba	94	88
Customer deposit accounts	78	143
Working capital advance (Note 5)	1,526	977
	2,195	2,015
Accrued severance liability (Note 6)	41	59
	2,236	2,074
Equity		
Contributed equity (Note 7)	550	550
Retained earnings	179	102
	729	652
	$ 2,965	$ 2,726

See accompanying notes to the financial statements.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statements of Income and Retained Earnings

(in thousands)

Year Ended March 31

	2006	2005
Sales	$ 9,006	$ 7,539
Cost of goods sold:		
Inventory, beginning of year	2,106	2,209
Purchases	8,007	6,337
Transportation in	36	35
Transportation out	102	102
	10,251	8,683
Inventory, end of year	2,284	2,106
Cost of goods sold	7,967	6,577
Gross profit	1,039	962
General and administrative expenses		
Amortization	28	36
Audit	8	7
Computer expense	51	56
Employee benefits	66	59
Interest	46	45
Marketing	13	29
Office	31	29
Office occupancy	64	58
Postage	3	3
Salaries	344	370
Telephone	10	11
Training	1	1
Travel	13	22
Warehouse occupancy	87	85
Warehouse service	197	193
	962	1,004
Net income (loss)	$ 77	$ (42)

	2006	2005
Retained earnings, beginning of year	$ 102	$ 144
Net income (loss)	77	(42)
Retained earnings, end of year	$ 179	$ 102

See accompanying notes to the financial statements.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flows

(in thousands)

Year Ended March 31	2006	2005
Increase (decrease) in cash and cash equivalents		
Operating		
Net income (loss)	$ 77	$ (42)
Amortization	28	36
	105	(6)
Changes in		
Accounts receivable	(71)	128
Inventory	(178)	103
Prepaid expenses	(14)	5
Accounts payable and accrued liabilities	(310)	(11)
Interest payable – Province of Manitoba	6	88
Customer deposit accounts	(65)	61
Accrued severance liability	(18)	5
	(545)	373
Investing		
Acquisition of capital assets	(7)	(33)
Financing		
Working capital advance	549	(338)
Net increase (decrease) in cash and cash equivalents	(3)	2
Cash and cash equivalents, beginning of year	11	9
Cash and cash equivalents, end of year	$ 8	$ 11

See accompanying notes to the financial statements.

1. Nature of operations

In 1931, the Manitoba Text Book Bureau (MTBB) was created as a branch of the Department of Education. It was established to achieve economies of scale and reduce the cost of learning resources for schools in Manitoba.

Effective April 1, 1996, the MTBB was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S 185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The MTBB is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the MTBB through working capital advances. This financial framework enables the MTBB to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Special Operating Agencies Financing Authority and the Minister of Education and Training, being the Minister responsible for the Agency at that time, assigns responsibility to the MTBB to manage and account for the MTBB related assets and operations on behalf of SOAFA.

The MTBB continues to be part of the Department of Education, Citizenship and Youth under the general direction of the Assistant Deputy Minister, School Programs Division, and ultimately the policy direction of the Deputy Minister and Minister.

The MTBB remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

2. Significant accounting policies

Basis of reporting

The financial statements of the MTBB are presented in accordance with Canadian Generally Accepted Accounting Principles.

Accounting estimates and assumptions

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank balance. Bank borrowings are considered to be financing activities.

Inventories

Inventories are valued using the average unit cost method.

Capital assets

Capital assets are recorded at cost in the year of acquisition. Rates and basis of amortization applied to write off the cost of capital assets over their estimated useful lives are as follows:

Office equipment, furniture and video recording equipment	20% declining balance
Computer software and equipment	20% straight line

One-half year's amortization is applied in the year of acquisition.

Revenue recognition

Revenue is recognized upon transfer of title to the customer.

3. Receivable from Province of Manitoba

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability as at April 1, 1998 calculated at $63 was completely offset by a receivable from the Province. The receivable from the Province was restated to $64 as a result of the actuarial valuation completed as at March 31, 2000.

The receivable from the Province, or portion thereof, for the MTBB, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the MTBB.

4. Capital assets

	2006		2005	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer software & equipment	$ 290	$ 233	$ 283	$ 209
Office equipment & furniture	28	22	28	20
Video recording equipment	63	55	63	53
	$ 381	$ 310	$ 374	$ 282
Cost less accumulated amortization		$ 71		$ 92

5. Working capital

The MTBB has an authorized line of working capital advances of $4,000, of which $ 1,526 was used as of March 31, 2006 (2005 - $977).

6. Severance liability

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2005. The report provides a formula to update the liability on an annual basis. The MTBB's actuarially determined net liability for accounting purposes as at March 31, 2006 was $41 (2005 - $59). Commencing in the 2006 fiscal year the actuarial gain of $16 is being amortized over the 15 year expected average remaining service life of the employee group.

7. Contributed equity

SOAFA and the Government of Manitoba entered into a Transfer Agreement in connection with the transfer from Manitoba to SOAFA of assets valued at $5,240 and liabilities of $4,690 required for the continuing operations of the MTBB as at March 31, 1996. The Manitoba Text Book Bureau recorded the balance of $550 (being the value of the net assets) as Manitoba's Contributed Equity in SOAFA as related to the Bureau's operations.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements

(in thousands)
For the year ended March 31, 2006

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8. Related party transactions

The MTBB is related in terms of common ownership to all Province of Manitoba created Departments, Agencies and Crown Corporations. The MTBB enters into transactions with these entities in the normal course of business.

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9. Pension benefits

Employees of the MTBB are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board. The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the MTBB, through the Civil Service Superannuation Fund.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the MTBB transferred to the Province the pension liability for its employees. Commencing April 1, 2001, the MTBB was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2006 was $15 (2005 - $16). Under this agreement, the MTBB has no further pension liability.

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10. Public sector compensation

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2006, the following employees received compensation in excess of $50.

Name	Position	2006	2005
Lanny Kingerski	Chief Operating Officer	$78	$69
Denis Labossiere	Controller	$65	$58

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11. Financial instruments

The MTBB's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, interest payable, customer deposits and a working capital advance. Unless otherwise noted, it is management's opinion that MTBB is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements

(in thousands)
For the year ended March 31, 2006

12. Comparative Figures

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

Industrial Technology Centre - An Agency of the Special Operating Agencies Financing Authority

Financial Statements
For the year ended March 31, 2006

BDO Dunwoody LLP/s.r.l.
Chartered Accountants
and Advisors

Comptables agréés
et conseillers

Industrial
Technology
Centre

200-78 Innovation Drive Winnipeg, MB R3T 6C2
TEL: (204) 480-3333 FAX: (204) 480-0345 1-800-728-7933
www.itc.mb.ca

May 16, 2006

For the year ended March 31, 2006

The accompanying financial statements of the Industrial Technology Centre are the responsibility of management and have been prepared by ITC in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 16, 2006.

Management maintains internal controls designed to indicate responsibility, provide reasonable assurance of the reliability and accuracy of the financial statements, and properly safeguard ITC's assets.

The responsibility of the external audit is to express an independent, professional opinion lending assurance and objectivity as to whether the financial statements of ITC are fairly presented in accordance with Canadian generally accepted accounting principles. The auditors' report outlines the scope of the audit examination and provides the audit opinion.

On behalf of management,

T.F. Cornell

Trevor Cornell
Chief Operating Officer

David Olafson
Manager, Corporate Services

BDO

BDO Dunwoody LLP/s.r.l.
Chartered Accountants and Advisors
Comptables agréés et conseillers

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Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the **Industrial Technology Centre** as at March 31, 2006 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 16, 2006

INDUSTRIAL TECHNOLOGY CENTRE

An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba

Balance Sheet

As at March 31, 2006
(in thousands)

	2006	2005
Assets		
Current		
Cash and funds on deposit with Minister of Finance net of working capital advance (Note 3)	$ -	$ 615
Accounts receivable	198	248
Prepaid expenses	41	18
	239	881
Due from Province of Manitoba (Note 4)	103	103
Capital assets (Notes 2 and 5)	737	481
	$ 1,079	$ 1,465
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 255	$ 364
Severance liability (Note 6)	198	192
	453	556
Equity		
Contributed Equity (Note 7)	62	62
Retained Earnings	564	847
	626	909
	$ 1,079	$ 1,465

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL TECHNOLOGY CENTRE

An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba

Statement of Earnings and Retained Earnings

For the year ended March 31, 2006
(in thousands)

	2006	2005
Revenue		
Province of Manitoba	$ 600	$ 450
Fee for service	1,486	1,350
Other	105	47
	2,191	1,847
Operating expenses		
Advertising and promotion	56	81
Amortization	152	142
Audit and legal	5	10
Bad debts	4	3
Building maintenance	55	38
Computer	45	20
Equipment	31	21
Fees and memberships	22	20
Insurance	48	50
Library operations	45	33
Loss on disposal	14	-
Office	59	54
Professional development	22	24
Project supplies and subcontract	65	70
Purchased services	4	13
Rent and property tax	186	121
Salaries and benefits	1,481	1,435
Travel	20	24
Utilities	37	37
	2,351	2,196
Net earnings (loss) before relocation costs	(160)	(349)
Relocation costs	123	-
Net earnings (loss)	(283)	(349)
Retained earnings at beginning of period	847	1,196
Retained earnings at end of period	$ 564	$ 847

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL TECHNOLOGY CENTRE

An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba

Statement of Cash Flow

For the year ended March 31, 2006

(in thousands)	2006	2005
Cash derived from (applied to):		
Operating activities		
Net earnings (loss)	($ 283)	($ 349)
Items not involving cash		
Amortization	152	142
Loss on disposal	14	-
	(117)	(207)
Changes in non-cash working capital balances		
Accounts receivable	50	(14)
Prepaid expenses	(23)	(1)
Accounts payable and accrued liabilities	(109)	75
Severance liability	6	16
	(193)	(131)
Investing activities		
Acquisition of capital assets	(422)	(101)
Net increase (decrease) in cash and cash equivalents	(615)	(232)
Cash and cash equivalents at beginning of period	615	847
Cash and cash equivalents at end of period	$ -	$ 615
Represented by:		
Cash and bank	$ -	$ 25
Funds on deposit with the Minister of Finance	-	590
	$ -	$ 615
Interest revenue included in cash flow from operating activities	$ 9	$ 15

The accompanying notes are an integral part of these financial statements.

1. Nature of Organization

The Industrial Technology Centre (ITC) was established in 1979 under "Enterprise Manitoba", a joint Federal/Provincial cost-shared funding agreement. ITC was managed by the Manitoba Research Council until September 1992 when responsibility for ITC was transferred to the Economic Innovation & Technology Council (EITC). ITC was created as a technical resource for Manitoba industry and government and continues to provide a wide range of technical services to both the private and public sectors.

Effective April 1, 1996, ITC was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M., and operates under a charter approved by the Lieutenant Governor in Council. ITC operates as part of Manitoba Energy, Science and Technology under the general direction of the Deputy Minister.

ITC is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances ITC through working capital advances. The financial framework allows the Agency to operate in a business-like manner, which is facilitated by SOA status.

A Management Agreement between SOAFA and the Minister of Energy, Science and Technology assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of SOAFA.

An Economic Development Contribution Agreement between ITC and Manitoba Energy, Science and Technology defines expected public policy benefits generated from ITC's operations.

ITC has full delegated authority for all administrative, financial and operational matters. This delegation is subject to any limitations, restrictions, conditions and requirements imposed by legislation or by the Minister.

2. Significant Accounting Policies

Basis of reporting

The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

Capital assets

Capital assets are recorded at cost. Amortization, intended to write off the assets over their estimated useful lives, is recorded at the following annual rates and methods:

Furniture and fixtures	20%, declining balance
Office and laboratory equipment	20%, declining balance
Computer equipment and software	20%, straight-line
Leasehold improvements	10%, straight-line

Financial instruments

The Agency's financial instruments consist of cash and funds on deposit, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Revenue recognition

Province of Manitoba funding is recognized over the term for which it applies. Fees for service are recognized as the service is performed.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future

3. Working Capital Advance

The Agency has an authorized line of working capital advances up to a maximum of $300. As at March 31, 2006 working capital advances were nil (2005 – nil). The line bears interest at prime less 1% and is not secured by specific assets.

4. Due from Province of Manitoba

The Province has accepted responsibility for the severance benefits accumulated by ITC's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $103 was completely offset by a receivable from the Province. The receivable from the Province, or portion thereof, for the Industrial Technology Centre, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Industrial Technology Centre.

5. Capital Assets

	2006		2005	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Furniture and fixtures	$ 10	$ 3	$ 4	$ 3
Office and laboratory equipment	932	581	829	513
Computer equipment and software	592	393	466	321
Leasehold improvements	186	6	49	30
	$ 1,720	$ 983	$ 1,348	$ 867
Net book value	$ 737		$ 481	

6. Severance Pay Benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2005. The report provides a formula to update the liability on an annual basis. The Industrial Technology Centre's actuarially determined net liability for accounting purposes as at March 31, 2006 was $198 (2005 - $192). Commencing in the 2006 fiscal year the actuarial gain of $76 is being amortized over the 15 year expected average remaining service life of the employee group.

7. Contributed Equity

A Transfer Agreement between the Special Operating Agencies Financing Authority (SOAFA) and Manitoba effected a transfer of capital assets, current assets and current liabilities from Manitoba to SOAFA as at March 31, 1996. Net assets in the amount of $124 were transferred to continue the operations of ITC. ITC has repaid SOAFA the debt portion of $62 (50% of the value of the net assets) and recorded the remaining $62 (50% of the value of the net assets) as Manitoba's equity in SOAFA as related to the Agency's operations.

8. Commitment

The Agency relocated to Smartpark, near the University of Manitoba, on November 1, 2005.

The Agency has entered into a lease agreement for the rental of a new building at Smartpark, with space of 24,118 square feet. Of this space, ITC will occupy 19,032 square feet, with 5,086 square feet being sublet to the Composites Innovation Centre (CIC). Occupancy costs pertaining to the CIC will be recoverable from them. This ten-year lease requires future lease payments as follows:

	ITC	CIC	Total
Year 1	$ 161	$ 43	$ 204
Year 2	170	46	216
Year 3	180	48	228
Year 4 - 10	189	51	240

9. Pension Benefits

In accordance with the provisions of the Civil Service Superannuation Act, employees of the Centre are eligible for pension benefits under the Civil Service Superannuation Fund. This pension plan is a defined benefit plan, which requires the Centre to contribute an amount equal to the employee's contribution to the Fund for current services. The amount contributed and expense by the Centre for 2006 is $73 (2005 - $68).

The Centre has no further liability associated with the annual cost of pension benefits earned by the Centre's employees.

10. Related Party Transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.

11. Public Sector Compensation

Pursuant to The Public Sector Compensation Disclosure Act, the following employees of ITC have received compensation of $50 or more, including benefits and severance payments, in the year ended March 31, 2006:

		2006	2005
Cornell, T.	Executive Officer 1	$ 108	$ 102
Dearth, B.	Librarian 3	57	53
Fredette, D.	Tech. Eng. Off. 2	64	56
Godin, D.	Tech. Eng. Off. 1	53	-
Kellington, D.	Engineer 5	73	65
Kojic, D.	Tech. Eng. Off. 1	59	51
McKendry-Smith, S.	Scientist 1	60	53
Olafson, D.	Financial Officer 6	73	69
Park, J.	Engineer 5	86	81
Peters, T	Scientist 1	58	51
Pizey, G.	Engineer 4	76	72
Robak, A.	Tech. Eng. Off. 1	54	-
St. Jean, D.	Eco. Dev. Consultant 4	83	78
Semegen, M.	Eco. Dev. Consultant 4	83	78
Thomlinson, M.	Engineer 4	71	61

The Public Trustee of Manitoba
An Agency of the
Special Operating Agencies
Financing Authority
Province of Manitoba

Financial Statements
March 31, 2006

Manitoba

The Public Trustee

155 Carlton St Suite 500
Winnipeg MB R3C 5R9
CANADA

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 8, 2006. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of The Public Trustee are properly safeguarded.

The responsibility of the Auditor General is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

M Anne Bolton

M. Anne Bolton, Q.C.
Public Trustee

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba,
To the Public Trustee of Manitoba, and
To the Special Operating Agencies Financing Authority

We have audited the balance sheet of The Public Trustee of Manitoba, an Agency of the Special Operating Agencies Financing Authority - Province of Manitoba, as at March 31, 2006 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Public Trustee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2006 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
May 8, 2006

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

BALANCE SHEET
(In Thousands)
AS AT MARCH 31, 2006

ASSETS

	2006	2005
Current		
Cash	$ 41	$ 61
Accounts receivable (Note 3)	799	768
Prepaid expenses	5	5
Short-term investments with Minister of Finance	1,590	1,380
	2,435	2,214
Receivable from Province of Manitoba (Note 4)	515	515
Capital Assets (Note 5)	132	130
	$ 3,082	$ 2,859

LIABILITIES

	2006	2005
Current		
Accounts payable and accrued liabilities (Note 6)	$ 412	$ 548
Severance pay benefits (Note 15)	474	418
	886	966

EQUITY

	2006	2005
Revenue stabilization reserve (Note 14)	500	500
Retained earnings	1,696	1,393
	2,196	1,893
	$ 3,082	$ 2,859

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF INCOME AND RETAINED EARNINGS

(In Thousands)

YEAR ENDED MARCH 31, 2006

	2006	2005
Revenue		
Fees (Note 8)	$ 5,374	$ 5,307
Interest	47	28
Other	104	102
	5,525	5,437
Expenses		
Amortization of capital assets	32	34
Accommodation costs (Note 10)	352	298
Other administration expenses (Note 9)	857	866
Salaries and benefits	3,826	3,688
Pension benefits (Note 16)	155	162
	5,222	5,048
Net Income (Loss)	303	389
Retained earnings, beginning of year	1,393	1,004
Retained earnings, end of year	$ 1,696	$ 1,393

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF CASH FLOWS

(In Thousands)

YEAR ENDED MARCH 31, 2006

	2006	2005
Cash derived from (applied to)		
Operating		
Net income	$ 303	$ 389
Items not involving cash		
Amortization of capital assets	32	34
	335	423
Change in		
Accounts receivable	(31)	(32)
Prepaid expenses	0	(1)
Accounts payable and accrued liabilities	(136)	(107)
	168	283
Investing		
Acquisition of capital assets	(34)	(25)
Financing		
Severance pay benefits	56	(17)
Net increase in cash and cash equivalents	190	241
Cash and cash equivalents		
Beginning of year	1,441	1,200
End of year	$ 1,631	$ 1,441
Cash and cash equivalents consist of:		
Cash	$ 41	$ 61
Short-term investments with Minister of Finance	1,590	1,380
	$ 1,631	$ 1,441

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS

(In Thousands)

MARCH 31, 2006

1. Nature of organization

The Public Trustee protects the interests of Manitobans by providing trust, legal, financial and personal services on a last resort basis to people who are mentally incompetent, under the age of majority, or whose estates would otherwise be unadministered upon their death.

Effective April 1, 1996, The Public Trustee was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Public Trustee is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Public Trustee operations. It finances The Public Trustee through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating Agency status, assists The Public Trustee to sustain the provision of high quality service to her clients.

A Management Agreement between SOAFA and the Minister of Justice assigns responsibility to The Public Trustee to manage and account for Public Trustee related assets and operations on behalf of SOAFA.

The Public Trustee continues to be part of Manitoba Justice. The Public Trustee is a corporation sole with perpetual succession. As a corporate entity, The Public Trustee functions separately from government and is capable of suing or being sued on behalf of the clients, trusts and estates which are administered by her.

The Public Trustee remains bound by relevant legislation and regulations. The Public Trustee is also bound by administrative policy except where specific exemptions have been provided for in her charter in order to meet business objectives.

2. Significant accounting policies

a) Basis of reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

b) Revenue recognition

i. Administration fees are charged to client accounts quarterly based on the anniversary date of the account in accordance with provisions of *The Public Trustee Act*. The fees revenue recognized in a year consists of all fees charged, accruals and adjustments made to accounts.

ii. Other fees are recognized as revenue when charged to an account and could be subject to adjustment on closing.

iii. Statutory fees are recognized as revenue when received.

c) Capital assets

Capital assets are recorded at cost and are amortized annually at the following rates and methods:

Furnishings and equipment	-	20%, declining balance
Computer equipment and software	-	20%, straight-line, 10% in year of acquisition, software purchases less than $1 are expensed in year of acquisition
Leasehold improvements	-	20%, straight-line

d) Use of estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

e) Financial instruments

The Agency's financial instruments consist of cash, accounts receivable, investments, and accounts payable. It is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2006

3. Accounts receivable

	2006	2005
Fees receivable	$ 786	$ 773
Allowance for doubtful accounts	(34)	(33)
	752	740
Interest receivable	6	4
Miscellaneous receivable	26	14
Advances to client accounts	9	4
Cost recoveries	6	6
	$ 799	$ 768

4. Receivable from Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency in the amount of $219 and for severance entitlements earned by employees to March 31, 1998 in the amount of $296. This receivable, or portion thereof, for The Public Trustee, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of The Public Trustee.

5. Capital Assets

	2006		2005	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furnishing & equipment	$ 290	$ 177	$ 274	$ 148
Computer equipment & software	90	71	72	68
	$ 380	$ 248	$ 346	$ 216
Cost less accumulated amortization		$ 132		$ 130

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2006

6. Accounts payable and accrued liabilities

	2006	2005
Operating expenses payable	$ 50	$ 48
Salaries and benefits payable	0	136
Vacation entitlements earned	330	330
GST payable to Canada Revenue Agency	32	34
	$ 412	$ 548

7. Working capital

The Agency has an authorized line of working capital of $1,000 through SOAFA, which was unused and available at March 31, 2006.

8. Fees revenue

	2006	2005
Administration	$ 4,710	$ 4,579
Legal	238	294
Income tax	264	250
Inspection	162	184
	$ 5,374	$ 5,307

9. Other Administration expenses

	2006	2005
Computer expenses	$ 476	$ 474
Courier charges	4	5
Insurance, loss, damage	20	41
Office supplies	44	60
Other	10	7
Personnel	21	13
Photocopy	12	13
Postage	53	51
Professional fees	35	30
Publications	5	4
Public communications	16	6
Records Centre Charges	18	17
Rentals, equipment	4	3
Repairs and maintenance	7	13
SAP costs	7	7
Support services - Department of Justice	21	21
Telephone	50	47
Travel	54	54
	$ 857	$ 866

10. Commitments

The Public Trustee has an arrangement with the Province of Manitoba, through the Department of Transportation and Government Services, for rental of its facilities at 155 Carlton Street in Winnipeg and its facility in the Provincial Building in Brandon. Accommodation costs are estimated to be $356 for the year ended 2006/07.

11. Related party transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.

12. Escheats to the Crown

Escheats to the Crown, received by The Public Trustee during the year and remitted to the Minister of Finance, amounted to $72 (2005 - $62). These amounts are not reflected in these financial statements.

13. Estates and trusts under administration

The client assets under administration at March 31, 2006 total approximately $177,000 (2005 - $177,000). The trust activities of The Public Trustee are reported in separate Estates and Trusts under Administration financial statements.

14. Revenue stabilization reserve

The Public Trustee has allocated a reserve out of retained earnings to provide for short-term fluctuations in revenue due to changes in revenue patterns or extraordinary expenses.

15. Severance pay benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2005. The report provides a formula to update the liability on an annual basis. The Public Trustee's actuarially determined net liability for accounting purposes as at March 31, 2006 was $474 (2005 - $418). Commencing in the 2006 fiscal year the actuarial loss of $113 is being amortized over the 15 year expected average remaining service life of the employee group.

16. Pension benefits

Employees of The Public Trustee are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board. The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including The Public Trustee, through the Civil Service Superannuation Fund.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, The Public Trustee transferred to the Province the pension liability for her employees. Commencing April 1, 2001, The Public Trustee was required to pay to the Province an amount equal to her employees' current pension contributions. The amount paid for 2006 was $155 (2005 - $162). Under this agreement, The Public Trustee has no further pension liability.

17. Public Sector Compensation Disclosure Act

It is a requirement of *The Public Sector Compensation Disclosure Act* that annual public disclosure be made of individual compensation in an amount exceeding $50 annually to any officer or employee of the Agency. For the year ended March 31, 2006, the following employees received compensation in excess of $50:

Employee	Position	Amount
Anderson, Roxane	Estates Officer 3	$ 50
Bolton, M. Anne Q.C.	Senior Legal Officer	119
Carnegie, Peter	Estates Officer 3	53
Clark, Dwane	Estates Officer 3	53
Darrach, Bruce	Information Technologist 3	71
Fergusson, John	Legal Counsel 3	114
Fredborg, Darren	Estates Officer 3	50
Griffiths, Judith	Estates Officer 3	52
Hyman, Brian	Legal Counsel 1	56
Kihn, Shirley	Estates Officer 3	53
Knowlton, Joanna	Legal Counsel 3	115
Kozusko, Norman	Information Technologist 4	77
Matyi, Angele	Estates Officer 3	52
Matyszewski, Cindy	Senior Accountant	54
Mosley, James	Estates Officer 3	53
Regier, Barbara	Estates Officer 3	52
Sallans, David	Management Analyst 3	73
Samagalski, Michelle	Estates Officer 3	53
Schacter, Brenlee	Estates Officer 3	52
Schirmer, Maureen	Estates Officer 3	52
Shapiro, Laurie	Estates Officer 4	57
Taylor, Jana	Legal Counsel 1	60
Tessier, Rachelle	Estates Officer 4	58
Winning, Marla	Estates Officer 4	57

Office of the Fire Commissioner

Financial Statements

For the year ended March 31, 2006

BDO Dunwoody LLP/s.r.l.
Chartered Accountants
and Advisors

Comptables agréés
et conseillers

OFFICE *of the* FIRE COMMISSIONER

Management's Report

For the year ended March 31, 2006

The accompanying financial statements of the Office of the Fire Commissioner are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within the reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 25, 2006.

Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and that the assets of the Office of the Fire Commissioner are properly safeguarded.

The responsibility of the auditor is to express an opinion of whether the financial statements of the Office of the Fire Commissioner are fairly presented in accordance with Canadian generally accepted accounting principles. The auditor's report outlines the scope of the audit examination and provides the audit opinion.

On behalf of management,

Douglas M. Popowich
Fire Commissioner

Christopher L. Jones
Deputy Fire Commissioner

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Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the **Office of the Fire Commissioner** as at March 31, 2006 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The budget figures presented in the Statement of Operations are unaudited.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 19, 2006

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OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Balance Sheet

March 31	2006	2005
	(000's)	
Assets		
Current Assets		
Cash	$ 6,895	$ 4,228
Short-term investments (Note 3)	-	2,613
Accounts receivable (Note 4)	657	619
Accrued interest	-	10
Inventory	18	10
Prepaid expenses	55	52
	7,625	7,532
Non-Current Assets		
Due from Province of Manitoba - Severance (Note 5)	311	311
Due from Province of Manitoba - vacation pay (Note 6)	248	248
Capital assets (Note 7)	5,703	5,689
	6,262	6,248
	$ 13,887	$ 13,780
Liabilities and Equity		
Current Liabilities		
Accounts payable	$ 405	$ 574
Accrued liabilities	508	585
Deferred revenue	921	894
	1,834	2,053
Severance Liability (Note 8)	358	361
	2,192	2,414
Commitments (Note 14)		
Equity		
Contributed capital (Note 9)	11,279	11,279
Water Bomber Reserve Fund (Note 13)	200	100
Retained earnings (deficiency)	216	(13)
	11,695	11,366
	$ 13,887	$ 13,780

Approved on behalf of the Special Operating Agency Advisory Board:

Chairperson

Fire Commissioner

The accompanying notes form an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Statement of Retained Earnings (Deficiency)

March 31		2006		2005
		(000's)		
Opening balance	$	(13)	$	(16)
Add: Net income for the year		329		103
Less: Water Bomber Reserve Fund Allocation (Note 13)		(100)		(100)
Closing balance	$	216	$	(13)

The accompanying notes form an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Statement of Operations

For the year ended March 31

(000's)

	2006 Actual	2005 Actual	Variance	Budget (Unaudited)	Budget Variance
Revenue					
Levy	4,866	4,611	255	4,734	132
Permits, plan review and per capita	1,376	968	408	1,016	360
Tuition and contract revenue	1,283	1,211	72	1,322	(39)
New SAR Initiative (NIF) Grant (Note 10)	58	26	32	61	(3)
JEPP and HUSAR Initiative Grants (Note 11)	289	446	(157)	296	(7)
Interest	92	79	13	98	(6)
Inspections	11	5	6	16	(5)
Emergency Services Conference	94	96	(2)	105	(11)
Book sales	-	8	(8)	8	(8)
Rent	3	4	(1)	-	3
Insurance settlement	111	-	111	-	111
Other revenue	69	58	11	50	19
Total revenue	8,252	7,512	740	7,706	546
Expenses					
Salaries and benefits	4,215	3,671	544	4,254	(39)
Amortization	535	481	54	506	29
Vehicle lease	403	327	76	350	53
Travel	358	277	81	260	98
Repairs and maintenance	330	289	41	285	45
Communications	158	152	6	135	23
Mutual aid	109	81	28	125	(16)
Rent	190	185	5	160	30
Desktop management	324	211	113	200	124
Medical computer lab	6	26	(20)	28	(22)
Property taxes	45	118	(73)	120	(75)
Labour services	81	94	(13)	81	0
Supplies	368	318	50	185	183
Public education material	35	63	(28)	40	(5)
Marketing	19	14	5	15	4
Utilities	82	69	13	68	14
Insurance	105	100	5	106	(1)
Professional services	175	159	16	90	85
Postal and courier	44	33	11	36	8
Professional development	14	20	(6)	31	(17)
Land lease	10	10	0	12	(2)
Publications	24	18	6	22	2
Photofinishing	2	-	2	4	(2)
Buildings Standards Board	-	1	(1)	3	(3)
S.O.A. Board	1	2	(1)	2	(1)
Emergency response	43	66	(23)	70	(27)
New SAR Initiative (NIF) (Note 10)	54	39	15	74	(20)
JEPP and HUSAR Initiative (Note 11)	54	326	(272)	341	(287)
JEPP and HUSAR Initiative Amortization (Note 11)	108	120	(12)	-	108
Water bombing	-	-	-	25	(25)
Bad debt expense (Note 12)	-	69	(69)	-	-
Other	31	70	(39)	45	(14)
	7,923	7,409	514	7,673	250
Net income for the year	329	103	226	33	296

The accompanying notes form an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Statement of Cash Flows

For the year ended March 31		2006		2005
		(000's)		
Cash Flows from Operating Activities				
Net income for the year	$	329	$	103
Items not involving cash				
Amortization of capital assets		643		601
		972		704
Net change in non-cash working capital balances		(261)		176
		711		880
Cash Flows from Investing Activities				
Purchase of capital assets		(657)		(676)
Increase in cash and cash equivalents during the year		54		204
Cash and cash equivalents, beginning of year		6,841		6,637
Cash and cash equivalents, end of year	$	6,895	$	6,841
Represented by:				
Cash and bank	$	6,895	$	4,228
Short-term investments		-		2,613
	$	6,895	$	6,841

The accompanying notes form an integral part of these financial statements.

1. NATURE OF THE OFFICE OF THE FIRE COMMISSIONER

Effective April 1, 1996, the Office of the Fire Commissioner was designated as a Special Operating Agency (SOA) under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

Effective April 1, 1996, a Transfer Agreement executed between the Government of Manitoba (Labour) and the Financing Authority, a corporation under The Special Operating Agencies Financing Authority (SOAFA) Act, transferred all assets in the Fires Prevention Fund valued at $11,809 to the Financing Authority.

A Management Agreement executed between the Financing Authority and the Minister of Labour, being the Minister responsible for the Agency at that time, assigned responsibility to the Office of the Fire Commissioner to manage and account for the related assets and operations on behalf of the Financing Authority. The Office of the Fire Commissioner itself does not hold title to any assets. Effective April 1, 1996, the Financing Authority established a fund account referred to as the Fires Prevention Fund to hold these assets.

The Office of the Fire Commissioner continues to be part of the Department of Labour and Immigration under the general direction of the Deputy Minister and ultimately the policy direction of the Minister of Labour and Immigration.

The Office of the Fire Commissioner remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Office of the Fire Commissioner is economically dependent on the Province of Manitoba, as it derives most of its revenues from the Fires Prevention Levy.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The financial statements are presented in accordance with Canadian generally accepted accounting principles.

b) Financial Instruments

The Agency's financial instruments consist of cash, short-term investments, accounts receivable, accrued interest, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

c) Accounting estimates and assumptions

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Inventory

Inventory is valued at cost.

e) Capital assets

Buildings, fire engines, other vehicles and air compressors transferred to the SOAFA from the Government of Manitoba on April 1, 1996 were valued at the lower of their amortized cost or estimated market value. All other assets transferred from the Government of Manitoba on April 1, 1996 were valued at their market value.

The Office provides for amortization of its capital assets on the following basis:

Buildings	40 years straight line
Practical training site	20 years straight line
Practical training site - HUSAR	20 years straight line
Equipment	20% declining balance
Equipment – JEPP	20% declining balance
Equipment – HUSAR	20% declining balance
Fire engines	30% declining balance
Other vehicles	30% declining balance
Other vehicles - HUSAR	30% declining balance
Air compressors	20% declining balance
Furniture	20% declining balance
Computer equipment and software	5 years straight line
Computer equipment – JEPP	5 years straight line
Computer equipment – HUSAR	5 years straight line

The half-rate rule is applied to computer equipment and software additions during the year.

f) Revenue recognition

The Fires Prevention Act imposes a special assessment on licensed insurers equal to a set percentage of total property insurance premiums.

The Office of the Fire Commissioner collects this levy based on the value of premiums and assessments in respect to property insurance in a calendar year. Levy revenue with respect to the 2005 calendar year will be recognized as revenue in the fiscal year ending March 31, 2006. The levy rate is set at 1.25%.

Permits, plan review and per capita, and tuition and contract revenue is recognized when earned and when collectibility is reasonably assured. Grant revenue is recognized as revenue when received or receivable. Grant revenue received for the purchase of capital assets is deferred and recognized as revenue in the same fiscal year and at the same rate as the amortization expense of the related capital asset.

3. SHORT-TERM INVESTMENTS

The short-term investment balance represents funds on deposit with the Department of Finance of the Province of Manitoba with maturities of less than one (1) year.

4. ACCOUNTS RECEIVABLE

The accounts receivable balance is made up of the following:

	2006	2005
Department of Finance – Province of Manitoba	$258	$ 45
Public Safety and Emergency Preparedness Canada (formerly Office of Critical Infrastructure Protection and Emergency Preparedness)	363	391
Other	36	183
	$657	$619

5. SEVERANCE RECEIVABLE AND LIABILITY

The Province has accepted responsibility for the severance benefits accumulated by the Office of the Fire Commissioner's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 of $282 was completely offset by a receivable from the Province. An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed and the receivable from the Province was restated to $311 as a result. The receivable from the Province, or portion thereof, for the Office of the Fire Commissioner will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

6. VACATION PAY RECEIVABLE

Effective March 31, 1996, the Office of the Fire Commissioner commenced recording the estimated liability for vacation pay for its employees. The amount of the estimated liability is determined on March 31 of each year based on eligible vacation entitlements.

The Province of Manitoba has accepted responsibility for the vacation pay benefits accumulated to March 31, 1996 by the Office of the Fire Commissioner's employees. Accordingly, the Office of the Fire Commissioner recorded, effective March 31, 1996, a receivable of $248 from the Province of Manitoba, which is an amount that is equal to the estimated liability for vacation pay benefits at March 31, 1996.

This receivable from the Province of Manitoba has no terms of repayment and, accordingly, the amount of this receivable will remain fixed at $248.

(000's)

7. CAPITAL ASSETS

	Opening Balance	Additions	Disposals	Closing Balance
Buildings	$ 4,056	$ -	$ -	$ 4,056
Training site	1,964	67	-	2,031
Training Site – HUSAR	-	171	-	171
Equipment	1,367	100	-	1,467
Equipment – JEPP	347	11	-	358
Equipment – HUSAR	357	-	-	357
Fire engines	770	219	-	989
Other vehicles	243	-	-	243
Other vehicles – HUSAR	40	-	-	40
Air compressors	276	59	-	335
Furniture	70	-	-	70
Computers	301	30	-	331
Computers – JEPP	7	-	-	7
Computers – HUSAR	6	-	-	6
Total cost	$ 9,804	$ 657	$ -	$ 10,461

	Opening Accumulated Amortization	Disposition	Current Year's Amortization	Accumulated Amortization
Buildings	$ 1,068	$ -	$ 120	$ 1,188
Training site	669	-	97	766
Training Site - HUSAR	-	-	9	9
Equipment	928	-	106	1,034
Equipment – JEPP	166	-	38	204
Equipment – HUSAR	93	-	53	146
Fire engines	576	-	116	692
Other vehicles	197	-	22	219
Other vehicles – HUSAR	20	-	6	26
Air compressors	187	-	33	220
Furniture	59	-	2	61
Computers	147	-	39	186
Computers – JEPP	3	-	1	4
Computers – HUSAR	2	-	1	3
Total Amortization	$ 4,115	$ -	$ 643	$ 4,758
Net Capital Assets	$ 5,689			$ 5,703

8. SEVERANCE LIABILITY

Effective April 1, 1998, the Office of the Fire Commissioner began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining life of the related employee group.

An actuarial report was completed for the severance pay liability as at March 31, 2005. The report provides a formula to update the liability on an annual basis. The Office of the Fire Commissioner's actuarially determined net liability for accounting purposes as at March 31, 2006 was $358 (2005 - $361). Commencing in 2006 fiscal year the actuarial loss of $81 is being amortized over the 15 year expected average remaining service life of the employee group.

9. CONTRIBUTED CAPITAL

In consideration of the transfer of said assets effective April 1, 1996, the SOAFA shall:

a) not incur or repay to the Government of Manitoba any debt relative to the assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance; and

b) record the balance of $11,038 (being the balance of the net assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance) as Manitoba's equity in the Financing Authority as related to the Agency's operations.

Due to a change in accounting policy, buildings are being amortized over 40 years as opposed to 30 years. This has resulted in a revaluation of buildings as at April 1, 1996. The value of buildings and contributed equity has increased $241 as at April 1, 1996 to $11,279.

10. NEW SEARCH AND RESCUE (SAR) INITIATIVE (NIF)

The Office of the Fire Commissioner has applied for and received a grant from the National Search and Rescue Secretariat of the Department of National Defence. The purpose of this grant is to enhance Manitoba search and rescue capabilities by developing the volunteer search and rescue system aimed at northern and remote areas of Manitoba.

The New SAR Initiative (NIF) Grant line item reflects the grant received in Fiscal 2005/06 of $58. Expenditures of the initiative include $54 in the New SAR Initiative line item and $4 in expenditures for the initiative which are included in various other expense line items on the Statement of Operations, for total expenditures of $58

11. JOINT EMERGENCY PREPAREDNESS PROGRAM (JEPP) AND HEAVY URBAN SEARCH AND RESCUE (HUSAR) INITIATIVE

The Office of the Fire Commissioner has applied for and will receive grants from Public Safety and Emergency Preparedness Canada (formerly known as the Office of Critical Infrastructure Protection and Emergency Preparedness). The purposes of the grants are to 1) enhance the Province of Manitoba's ability to respond to hazardous material emergency responses through the provision of equipment and training; and 2) to enhance the Province of Manitoba's ability to respond to heavy urban search and rescue responses through the provision of equipment and training.

The office has applied for and will receive an amount of $363 from Public Safety and Emergency Preparedness Canada. $182 of this total grant revenue was utilized to purchase a training site and equipment for these initiatives and this amount has been allocated to deferred revenue. The deferred revenue related to these capital asset purchases will be recognized in the same fiscal year and in the same amount as the amortization expense on the JEPP and HUSAR capital assets. The equipment will be amortized based on the declining balance method at a rate of 20% for equipment. The training site will be amortized based on the 20 year straight line method. An amount of $108 was taken into revenue from the deferred revenue account for the amortization of all JEPP and HUSAR assets in 2005/06. This resulted in total JEPP and HUSAR revenue for the year of $289.

Expenditures of the initiatives include $108 in amortization of JEPP and HUSAR Capital Assets, $54 in the JEPP and HUSAR Initiative expense line item, and $127 in expenditures for the initiatives which are included in various other expense line items on the Statement of Operations, for total expenditures of $289.

The net book value of JEPP and HUSAR assets at March 31, 2006 is $547.

12. BAD DEBT EXPENSE

The prior year's bad debt expense relates to two water bomber invoices issued to two municipalities for water bomber services during Fiscal 2002/03. The Agency received notification from Treasury Board in December of Fiscal 2004/05 to no longer pursue recovery of these amounts. The Agency has revised its water bomber policy, as disclosed in Note 13 – Water Bomber Reserve Fund.

13. WATER BOMBER RESERVE FUND

The Agency received approval from Treasury Board in Fiscal 2005 to establish a special reserve fund for water bomber fire suppression activities. This fund, which will be capped at an amount of $200, will be utilized to cover the costs associated with water bomber deployment for non-forest fire incidents occurring on Rural Municipality property.

14. COMMITMENTS

The Office of the Fire Commissioner as tenant has entered into a Lease Agreement with the City of Brandon as Landlord for the land upon which the practical training facility has been constructed. The term of the lease is five (5) years commencing June 1, 2002 and expiring May 31, 2007, with three (3) five-year renewal options. Minimum annual rent is $10 due on equal monthly installments, plus all operating costs with respect to the subject land.

The Office of the Fire Commissioner has entered into 27 vehicle lease agreements and 3 office equipment lease agreements which give rise to commitments as follows:

	March 31
2007	$ 156
2008	148
2009	114
2010	59
2011	41
	$ 518

(000's)

15. PUBLIC SECTOR COMPENSATION DISCLOSURE ACT

Pursuant to disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to the Advisory Board Members. During the fiscal year ended March 31, 2006, the following employees received compensation of wages and taxable benefits of $50 or more:

Name	**Position**	**2006**	**2005**
D Popowich	Fire Commissioner	$ 96	$ 88
W Harrow	Investigator	95	74
K Swan	Investigator	93	80
R Vandekerkhove	Manager, Operations East	82	91
C Hogarth	Investigator	80	70
C Jones	Deputy Fire Commissioner	80	73
R Bridges	Emergency Services Officer	79	60
D Schafer	Manager, Operations West	79	78
G Favelle	Manager, Critical Incident Stress Management	77	75
JP Lebel	Manager, Special Projects	76	56
M Bedford	Emergency Services Officer	71	68
D Singleton	Emergency Services Officer/Instructor	71	-
K Carmichael	Emergency Services Officer	69	65
R Gillis	Emergency Services Officer	68	62
R Denslow	Emergency Services Officer	66	63
M Jackson	Emergency Services Officer	65	58
R Pike	Coordinator, Public Fire Paramedic Program	65	60
R Harvey	Coordinator, Rescue Programs	62	59
T Grimshaw	Codes and Standards Officer	60	56
KD Hykawy	Codes and Standards Officer	60	57
T Jennings	Codes and Standards Officer	60	57
K Lanceley	Emergency Services Officer	60	54
J Wedge	Codes and Standards Officer	60	54
S Wolf	Codes and Standards Officer	60	56
A Gray	Emergency Services Officer	59	55
BE Hollier	Manager, Administration and Support Services	59	55
BD Popko	Manager, Manitoba Emergency Services College	59	55
J Tabin	Curriculum Development Officer	58	52
B Hodge	Comptroller	57	78
M Kerbis	Emergency Services Officer/Instructor	57	55
G Winder	Emergency Services Officer/Instructor	55	-
AJ Campbell	Codes and Standards Officer	54	-
S Dufresne	Emergency Services Officer/Instructor	54	52
G Giesbrecht	Emergency Services Officer/Instructor	54	-
B Graham	Codes and Standards Officer	54	-
T Praznik	Emergency Services Officer/Instructor	54	-
K Danino	Public Education Officer	53	-
S Fisher	Emergency Services Officer/Instructor	53	53
K Kroeker	Emergency Services Officer/Instructor	52	-
N Anderson	Manager, Codes and Standards	-	67
E Moore	Coordinator, Fire Prevention and Protection	-	66
DB Monkman	Investigator	-	63
DR Beacham	Special Projects Officer	-	60
P MacIsaac	Coordinator, Emergency Medical Programs	-	60
L Treloar	Codes and Standards Officer	-	58
BJ Metruk	Emergency Services Officer/Instructor	-	51

16. PENSION BENEFITS

Employees of the Office of the Fire Commissioner are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board. The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the Office of the Fire Commissioner, through the Civil Service Superannuation Fund.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba the Office of the Fire Commissioner transferred to the Province the pension liability for its employees. Commencing April 1, 2001, the Office of the Fire Commissioner was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2006 was $135 (2005 - $137). Under this agreement, the Office of the Fire Commissioner has no further pension liability.

17. COMPARATIVE AMOUNTS

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

FOOD DEVELOPMENT CENTRE

Financial Statements

(In Thousands)

Year Ended March 31, 2006

FOOD
DEVELOPMENT
CENTRE
Growing Opportunities in Food

Responsibility for Financial Reporting

The Agency is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgments. The Agency's financial statements have been audited by The Exchange Group, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and those assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting, and to discuss audit results. The auditors have free and full access to this board, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

Barry Todd
C. E. O.

July 31, 2006

Mike Lalla
Manager, Support Services

July 31, 2006

TREASURY BOARD
AUG 4 2006
SECRETARIAT

W:\agrfdc\Finance & Administration\Accounting\Responsibility for Financial Reporting.doc

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A Special Operating Agency of Manitoba Agriculture, Food & Rural Initiatives

FOOD DEVELOPMENT CENTRE

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chartered accountants LLP

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Food Development Centre, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2006 and the statements of loss and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The Exchange

chartered accountants LLP

Winnipeg, Manitoba
July 11, 2006

[illegible] Winnipeg, Manitoba [illegible]
[illegible]
[illegible]

FOOD DEVELOPMENT CENTRE

Balance Sheet

(In Thousands)

March 31, 2006

	2006	2005
ASSETS		
CURRENT		
Cash and short-term deposits	$ 278	$ 462
Accounts receivable *(Note 3)*	84	71
Due from Province of Manitoba	1,373	-
Prepaid expenses and deposits	76	44
	1,811	577
PLANT AND EQUIPMENT *(Notes 2, 4)*	8,571	2,498
BUILDING IN PROGRESS	-	6,205
DEPOSIT IN JOINT VENTURE *(Note 5)*	200	200
FUNDS HELD ON DEPOSIT *(Note 6)*	30	30
SEVERANCE RECEIVABLE FROM PROVINCE OF MANITOBA *(Notes 7, 12)*	41	41
	$ 10,653	$ 9,551
LIABILITIES		
CURRENT		
Unearned revenue *(Note 2)*	$ 204	$ 56
Working capital payable *(Note 8)*	332	-
Accounts payable and accrued liabilities *(Note 9)*	389	483
Accrued vacation pay *(Note 10)*	173	144
Current portion of long term debt *(Note 11)*	18	18
	1,116	701
LONG TERM DEBT *(Note 11)*	195	213
SEVERANCE LIABILITY *(Note 12)*	78	69
DEFERRED CAPITAL CONTRIBUTIONS *(Notes 2, 13)*	9,275	8,261
	10,664	9,244
EQUITY		
Retained earnings (deficit)	(11)	307
	$ 10,653	$ 9,551

COMMITMENTS *(Note 15)*

FOOD DEVELOPMENT CENTRE

Statement of Loss and Deficit

(In Thousands)

Year Ended March 31, 2006

	2006	2005
REVENUE		
Grants - Province of Manitoba	$ 2,427	$ 1,934
Fee for service	368	163
Lease income	416	17
Interest and other income	35	1
Amortization of deferred capital contributions *(Note 13)*	554	112
	3,800	2,227
DIRECT OPERATING EXPENSES		
Lab supplies	106	69
Purchased services	154	76
Travel	64	73
Salaries and benefits	1,379	1,039
Postage, courier and telephone	71	52
Printing and stationery	13	9
Marketing	77	75
Library	26	36
Satellite office	7	7
	1,897	1,436
GROSS PROFIT	1,903	791
ADMINISTRATIVE EXPENSES *(Schedule 1)*	2,221	787
INCOME (LOSS) FROM OPERATIONS	(318)	4
OTHER INCOME	-	(4)
NET LOSS	(318)	-
RETAINED EARNINGS - BEGINNING OF YEAR	307	307
RETAINED EARNINGS (DEFICIT) - END OF YEAR	$ (11)	$ 307

FOOD DEVELOPMENT CENTRE

Statement of Cash Flows

(In Thousands)

Year Ended March 31, 2006

	2006	2005
OPERATING ACTIVITIES		
Cash receipts from customers	$ (1,428)	$ 145
Cash receipts from grants	2,427	1,934
Cash paid to suppliers and employees	(2,415)	(2,360)
Interest paid	(181)	(21)
Interest received	35	1
Cash flow used by operating activities	(1,562)	(301)
INVESTING ACTIVITIES		
Purchase of plant and equipment	(504)	(3,870)
Deposit in joint venture	-	(200)
Cash flow used by investing activities	(504)	(4,070)
FINANCING ACTIVITIES		
Deferred capital contributions	1,568	5,006
Repayment of long-term debt	(18)	(18)
Cash flow from financing activities	1,550	4,988
INCREASE (DECREASE) IN CASH	(516)	617
CASH (DEFICIENCY) - BEGINNING OF YEAR	462	(155)
CASH (DEFICIENCY) - END OF YEAR	$ (54)	$ 462
CASH (DEFICIENCY) CONSISTS OF:		
Cash	$ 278	$ 462
Working capital payable	(332)	-
	$ (54)	$ 462

FOOD DEVELOPMENT CENTRE

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2006

1. NATURE OF ORGANIZATION

Established in 1977, as part of the Manitoba Research Council, the Food Development Centre (the "Centre") serves the agri-food industry by providing a wide range of services in the food, feed and beverage industries. The Centre offers food product development research, testing services and assistance with technology transfer to enable industry to efficiently and economically produce high quality foods.

Effective April 1, 1996, the Centre was designated as a Special Operating Agency by regulation under The Special Operating Agencies Financing Authority Act made by the Lieutenant Governor in Council.

The Centre is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Centre operations. It finances the Centre through repayable loans and working capital advances. The financial framework enables the Centre to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Financing Authority and the Minister of Rural Development, being the Minister responsible for the Agency at that time, assigns responsibility to the Centre to manage and account for the Centre related assets and operations on behalf of the Financing Authority.

The Centre is a part of the Department of Agriculture, Food and Rural Initiatives under the general direction of a General Manager and a Chief Executive Officer, and ultimately the policy direction of the Deputy Minister and Minister.

The Centre remains bound by relevant legislation and regulations.

The Centre is economically dependent upon the Province of Manitoba, as it derives a significant portion of its revenue from the Province. The transactions with the Province of Manitoba are recorded at the exchange amount, which is the amount agreed upon by both parties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Plant and Equipment

Equipment assumed as part of the conversion to a Special Operating Agency, April 1, 1996 is stated at its estimated fair value as determined by the Province of Manitoba. Plant and equipment are stated at cost less accumulated amortization. Plant and equipment are amortized over their estimated useful lives at the following rates and methods:

Buildings	15 years	straight-line method
Equipment and sign - expansion project	15 years	straight-line method
Equipment and sign	20%	declining balance method
Computer hardware and software	5 years	straight-line method

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Other Assets

Research and development costs are expended as incurred.

Unearned revenue

Unearned revenue represents cash received for projects that were started but not completed by year end.

Revenue Recognition

Fee for service revenue is recognized on the percentage of completion basis and when collection is reasonably assured.

Lease income is recognized as revenue according to the terms of the lease.

All funds received and due from the Province of Manitoba at year end have been recognized as income in the current year.

Funds received from the Province of Manitoba and the Government of Canada for the construction of the new building and purchase of equipment have been treated as deferred capital contributions and will be taken into income to match the amortization of the building and equipment.

3. ACCOUNTS RECEIVABLE

The accounts receivable balance is comprised of the following amounts:

	2006	2005
Trade accounts receivable	**$ 1,121**	$ 133
Allowance for doubtful accounts	**(1,037)**	(70)
Other	**-**	8
	$ 84	$ 71

4. PLANT AND EQUIPMENT

	Cost	Accumulated amortization	**2006 Net book value**	2005 Net book value
Equipment and sign	$ 3,465	$ 716	**$ 2,749**	$ 2,473
Computer hardware and software	81	65	**16**	25
Building	6,220	414	**5,806**	-
	$ 9,766	$ 1,195	**$ 8,571**	$ 2,498

Included in the prior year's number for equipment and sign was equipment with a net book value of $916 which was not operational at year-end. For the year ended March 31, 2006, it is now operational.

5. DEPOSIT IN JOINT VENTURE

During the previous year, the Centre contributed $200 towards the purchase of a piece of equipment for Great Plains Aseptic Processors Ltd. To date, no formal agreement has been finalized as to the revenue sharing arrangement from this piece of equipment.

6. FUNDS HELD ON DEPOSIT

Effective April 1, 2000, the assets and liabilities of the analytical services division were sold to Norwest Soil Research Ltd. The Centre has received a $25 deposit from Norwest Soil Research Ltd. as part of the sales agreement. Under the agreement, Norwest must maintain certain levels of revenue from work performed in the Province of Manitoba for the cumulative period of five years from the effective date of the agreement. If they fail to meet these conditions, the deposit and accrued interest are forfeited to the Food Development Centre.

Subsequent to the end of the year, it was determined that all conditions had been met. Consequently, the deposit and accrued interest were refunded to Norwest Soil Research Ltd.

7. SEVERANCE RECEIVABLE FROM PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for severance pay benefits earned by the employees of the Centre to March 31, 1998. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Centre.

8. WORKING CAPITAL PAYABLE

The Centre has an authorized line of working capital from the Province of Manitoba of $1,000 of which $332 was used as at March 31, 2006 (2005 - $NIL was used).

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2006	2005
Trade	$ 243	$ 146
Payroll	-	40
Professional fees	-	4
Interest	154	142
Building	-	142
Sales tax	(8)	3
Miscellaneous	-	6
	$ 389	$ 483

10. ACCRUED VACATION PAY

The employees of the Centre are entitled to vacation pay in the current year, based on the prior year's employment. A provision for this liability has been recorded in the financial statements.

11. LONG TERM DEBT

	2006	2005
Province of Manitoba loan bearing interest at 5.80% per annum, with annual principal payments of $18 plus interest. The loan matures on April 30, 2017.	$ 213	$ 231
Amounts payable within one year	(18)	(18)
	$ 195	$ 213

Principal repayment terms are approximately:

2007	$ 18
2008	18
2009	18
2010	18
2011	18

12. SEVERANCE LIABILITY

Effective April 1, 1998, the Centre commenced recording accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of twenty three years, by the weekly salary at date of retirement, provided the employee reaches nine years of service and retires from the Centre. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Centre's employees to March 31, 1998. That responsibility is reflected by a $41 receivable from the Province of Manitoba.

An actuarial report was completed for the severance pay liability as of March 31, 2005. The report provides a formula to update the liability on an annual basis. The Centre's actuarial determined net liability for accounting purposes as at March 31, 2006 was $78 (2005 - $69). Commencing in the 2006 fiscal year the actuarial gain of $14 is being amortized over the 15 year expected average remaining service life of the employee group.

13. DEFERRED CAPITAL CONTRIBUTIONS

	2006	2005
Balance, beginning of year	**$ 8,261**	$ 3,367
Add: Contributions received		
Province of Manitoba	**873**	2,381
Government of Canada	**695**	2,625
Less: Amount amortized as revenue	**(554)**	(112)
Balance, end of year	**$ 9,275**	$ 8,261

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of equipment and construction of a building. The amortization of contributions is recorded as revenue in the statement of loss and retained earnings.

The Centre received a loan from the Province of Manitoba for $2,625 bearing interest at 5.63% per annum, with annual payments of $175 plus interest. The loan matures on May 18, 2019. The loan is to be repaid through future appropriations from the Province of Manitoba and therefore has been treated as a grant and recorded as deferred capital contributions to be consistent with the accounting presentation adopted by the Province of Manitoba.

As the future principal and interest payments will be funded by the Province of Manitoba, the annual principal repayment will be netted against the grant revenue received and the interest payment will be reflected as interest expense. The deferred capital contributions will be brought into income at the same rate as the corresponding building is being amortized.

14. DEFICIENCY IN ASSETS

The Special Operating Agencies Financing Authority and the Manitoba Provincial Government entered into a Transfer Agreement respecting the transfer, from the Provincial Government to the Financing Authority, of the net assets required for the continuing operations of the Centre. As at April 1, 1996, the date of transfer, the liabilities assumed exceeded the value of the assets in the amount of $35. This amount was recorded as the deficit at April 1, 1996.

FOOD DEVELOPMENT CENTRE

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2006

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15. COMMITMENTS

The Centre is obligated to make payments to Workers Compensation for an employee currently on disability. The total financial impact on the Centre is not determinable since the length of time the payments will be required is unknown.

At March 31, 2006, the Centre has a remaining project budget of $2,100 towards the purchase of equipment for the expansion.

---

16. PUBLIC SECTOR COMPENSATION DISCLOSURE

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation exceeding $50 annually to any officer or employee of the Province of Manitoba. The following employees received compensation in excess of $50:

	2006	2005
Utioh, Alphonsus - Process and Product Development Manager	**$ 86**	$ 83
Scott, Pat - General Manager	**90**	88
Lowe, Linda - Librarian/ IT Consultant	**-**	53
Qi, Jiacheng - Process Development Engineer	**62**	54
Schmulgen, Markus - Marketing Manager	**77**	72
Nivet, Meeling - Product Development Team Leader	**62**	57
Appah, Paulyn - Process Development Consultant	**53**	-
Brodie, Ron - Marketing Coordinator	**50**	-
Dean, Sabrina - Hazard Analysis Critical Control Point / Regulatory Affairs Coordinator	**55**	-
Gheraism, Gord - Pilot Plant Supervisor	**50**	-
Henuset, Alana - Product Development Consultant	**50**	-
Planinich, Javier - Manager - Pilot Plant and Commercial Activities	**70**	-

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17. PENSION BENEFIT

In accordance with the provisions of The Civil Service Superannuation Act, employees of the Centre are eligible for pension benefits under the Civil Service Superannuation Fund. This pension plan is a defined benefit plan, which requires the Centre to contribute an amount equal to the employee's contribution to the Fund for current services. The amount contributed and expensed by the Centre in the current year was $71 (2005 - $68).

The Centre has no further liability associated with the annual cost of pension benefits earned by the Centre's employees.

18. FINANCIAL INSTRUMENTS

The Centre's financial instruments consist of cash, accounts receivable, funds held on deposit, severance receivable, working capital payable, accounts payable and accrued liabilities, accrued vacation payable, unearned revenue, long-term debt, and severance liability. Unless otherwise noted, it is management's opinion that the Centre is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

FOOD DEVELOPMENT CENTRE

Administrative Expenses

(Schedule 1)

Year Ended March 31, 2006

	2006	2005
Accreditation and licensing fees	$ 7	$ 1
Advisory committee fees	1	1
Amortization	637	160
Bad debts	975	7
Computer expenses	71	97
Equipment rentals	51	21
Insurance	40	52
Interest and bank charges	1	7
Interest on long term debt	181	142
Memberships	7	6
Occupancy expenses	409	218
Professional fees	14	32
Property taxes	102	-
Rental	2	-
Repairs and maintenance	80	35
Research and development	19	-
Staff relocation	9	-
Training	19	8
Expense recoveries	(404)	-
	$ 2,221	$ 787

The Property Registry An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba Financial Statements

(In Thousands)

March 31, 2006

Grant Thornton

The Property Registry
A Special Operating Agency of the Province of Manitoba

Office d'enregistrement des titres et des instruments
Un organisme de service spécial de la Province du Manitoba

July 17, 2006

Management's report

To the Special Operating Agencies Financing Authority

The accompanying financial statements and the information in the Annual Report are the responsibility of the management of The Property Registry. The financial statements have been prepared in accordance with generally accepted accounting principles and include amounts that are based on management's best estimates and judgments.

In support of its responsibility, management has developed and maintains a system of internal controls designed to provide reasonable assurance that transactions are authorized, financial reporting is reliable, and that assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, if required, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

The financial statements have been audited by our external auditors, Grant Thornton, who report to the Special Operating Agencies Financing Authority.

On behalf of Management,

Wilson

Richard M. Wilson, B.A., LL.B.
Registrar General and
Chief Operating Officer

Brian Strong, CMA
Director
Finance & Systems

TREASURY BOARD

JUL 18 2006

SECRETARIAT

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Grant Thornton

Grant Thornton LLP
Chartered Accountants
Management Consultants

Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of **The Property Registry, an Agency of the Special Operating Agencies Financing Authority - Province of Manitoba** as at March 31, 2006 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Winnipeg, Canada
May 5, 2006

Chartered Accountants

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The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Balance Sheet

(In Thousands)

March 31	**2006**	2005
Assets		
Current		
Cash and short-term investments	**$ 10,504**	$ 8,340
Customer deposits	**1,262**	1,176
Accounts receivable (Note 3)	**493**	442
Prepaid expenses	**81**	71
	12,340	10,029
Due from Province of Manitoba (Note 4)	**1,602**	1,602
Capital assets, net of accumulated amortization (Notes 2 and 5)	**632**	592
	$ 14,574	$ 12,223
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 925**	$ 1,100
Deferred revenue	**1,270**	1,177
Land titles assurance fund (Note 6)	**24**	23
Current portion of capital lease obligations		5
	2,219	2,305
Severance payable (Note 7)	**1,398**	1,303
	3,617	3,608
Equity		
Retained earnings	**10,957**	8,615
	$ 14,574	$ 12 223

Commitments (Note 9)

See accompanying notes to the financial statements.

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Statements of Earnings and Retained Earnings

(In Thousands)

Year Ended March 31	2006	2005
Revenues		
Land transfer tax (Note 10)	$ 30,953	$ 23,474
Fee revenue - Land Titles	15,073	13,418
Fee revenue - Personal Property Registry	5,877	5,398
Cost recoveries and fee waiver (Note 2)	784	814
Interest income	257	166
	52,944	43,270
Less: Tax revenues transferred to Province	(30,953)	(23,474)
	21,991	19,796
Expenses		
Salaries and employee benefits	8,367	8,222
Operating expenses (Schedule 1)	3,923	4,051
Contributed services	244	266
Amortization	200	167
	12,734	12,706
Net earnings	$ 9,257	$ 7,090
Retained earnings, beginning of year	$ 8,615	$ 8,325
Net earnings	9,257	7,090
Net earnings paid to the Province of Manitoba	(6,915)	(6,800)
Retained earnings, end of year	$ 10,957	$ 8,615

See accompanying notes to the financial statements.

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Statement of Cash Flows

(In Thousands)

Year Ended March 31	2006	2005
Increase (decrease) in cash and cash equivalents		
Cash flows from (used in) operating activities		
Net earnings	$ 9,257	$ 7,090
Amortization	200	167
	9,457	7,257
Changes in non-cash operating working capital		
Customer deposits	(86)	(24)
Accounts receivable	(51)	(213)
Prepaid expenses	(10)	(1)
Accounts payable and accrued liabilities	(175)	(7)
Deferred revenue	93	22
Land titles assurance fund deposits	1	(20)
Severance payable	95	98
	9,324	7,112
Cash flows from (used in) investing activities		
Purchase of capital assets	(240)	(263)
Cash flows from (used in) financing activities		
Obligations under capital lease	(5)	(21)
Net earnings paid to the Province of Manitoba	(6,915)	(6,800)
	(6,920)	(6,821)
Net increase in cash and cash equivalents	2,164	28
Cash and cash equivalents		
Beginning of year	8,340	8,312
End of year	$ 10,504	$ 8,340

See accompanying notes to the financial statements.

1. Nature of organization

Effective April 1, 1997, the Lieutenant Governor in Council designated The Property Registry as a Special Operating Agency under The Special Operating Agencies Financing Authority Act. The order also directed the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Agency at that time, to enter into a management agreement with respect to The Property Registry. The Property Registry was established to operate the Land Titles and Personal Property Registry offices on a self-sustaining financial basis while providing a standard of service that will meet the needs of its clients.

The Property Registry is part of the Department of Finance under the general direction of the Assistant Deputy Minister for Consumer and Corporate Affairs, who is also Chairperson of The Property Registry's Advisory Board. The Property Registry remains bound by relevant legislation, regulation and administrative policy as specified in its operating charter.

The Property Registry's financial contribution to the Province of Manitoba is included in the Manitoba Estimates of Revenue and Expenditure - Special Operating Agencies.

2. Summary of significant accounting policies

Basis of reporting

The financial statements of the Agency have been prepared in accordance with Canadian generally accepted accounting principles.

Capital assets

Capital assets are recorded at cost and amortization is computed using the straight-line method based on remaining estimated useful lives, after allowance for salvage value, where applicable as follows:

Computer system	20% (10% in year of acquisition)
Office equipment	20%
Leasehold improvements	10%
Equipment under capital lease	20%

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Notes to the Financial Statements

(In Thousands)
March 31, 2006

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

Cost recoveries and fee waiver

Included in revenues are recoveries of costs or fees for services provided to other provincial government offices where no statutory provision precludes cost recovery.

Use of estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Financial instruments

The Agency's financial instruments consist of cash and short-term investments, customer deposits, accounts receivable, prepaid expenses, accounts payable and accrued liabilities, deferred revenue, land titles assurance fund, severance payable and capital lease obligations. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

Revenue recognition

Revenue is recognized when the services have been performed.

3. Accounts receivable

The following items are included in accounts receivable:

	2006	2005
Trade receivable	$ 417	$ 383
Receivable from government and departments	76	59
	$ 493	$ 442

4. Due from Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to their designation as a Special Operating Agency on April 1, 1997. It also includes severance pay benefits earned by the Agency employees to March 31, 1998. The balance is comprised of:

	2006	2005
Vacation entitlements	$ 526	$ 526
Severance pay benefits	1,076	1,076
	$ 1,602	$ 1,602

The timing of the collection of these receivables will vary. The receivable, or portion thereof, for the Agency will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

5. Capital assets

			2006	2005
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer system	$ 488	$ 284	$ 204	$ 164
Office equipment	709	515	194	135
Leasehold improvements	482	255	227	272
Equipment under capital lease	70	63	7	21
	$ 1,749	$ 1,117	$ 632	$ 592

6. Land titles assurance fund

Claims for loss as provided for in The Real Property Act are paid from this fund. The Agency's Land Titles Branch is responsible for the collection of deposits and the defence against claims on this fund. Claims in excess of the fund balance are paid out of the Consolidated Revenue Fund of the Province of Manitoba.

7. Severance pay benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2005. The report provides a formula to update the liability on an annual basis. The Property Registry's actuarially determined net liability for accounting purposes as at March 31, 2006 was $1,398 (2005 - $1,303). Commencing in the 2006 fiscal year the actuarial loss of $40 is being amortized over the 15 year expected average remaining service life of the employee group.

8. Pension benefits

Employees of The Property Registry are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board (CSSB). The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including The Property Registry, through the Civil Service Superannuation Fund (CSSF).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, The Property Registry transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, The Property Registry was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2006 was $348 (2005 - $339). Under this agreement, The Property Registry has no further pension liability.

9. Commitments

The Agency has entered into a Memorandum of Understanding with Manitoba Transportation and Government Services (MTGS) to lease its premises. The accommodation charges are established annually by MTGS, and are based on its approved budget.

The Agency has also entered into agreements to lease equipment. These agreements carry various terms and conditions.

The estimated minimum lease payments for the premises and equipment in aggregate for each of the next five years are as follows:

	Premises	Equipment	Total
2007	$ 941	$ 129	$ 1,070
2008	969	129	1,098
2009	998	129	1,127
2010	1,028	129	1,157
2011	1,059	129	1,188
Total minimum lease payments	$ 4,995	$ 645	$ 5,640

10. Land transfer tax

Land transfer tax is administered and collected by The Property Registry. Tax collected less refunds issued is remitted to the Consolidated Revenue Fund of the Province of Manitoba. Adjustments and refunds of land transfer tax are paid out of the Department of Finance under the advice of the Registrar General.

The Property Registry

Schedule 1

An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba

Operating Expenses

(In Thousands)

Year Ended March 31,	2006	2005
Better Systems Initiative	$ 1,270	$ 1,332
Computer processing	379	328
Department services	68	68
Desktop services	377	458
Equipment lease	74	60
Interest and bank charges	34	31
Occupancy costs	688	692
Office supplies and printing	148	149
Postage and delivery	115	135
Professional fees	28	31
Publications and subscriptions	22	21
Records preservation project	294	258
Repairs and maintenance	67	84
Special surveys	49	75
Sundry	10	19
Survey remonumentation program	153	172
Telephone	74	71
Training and staff development	59	58
Travel	14	9
	$ 3,923	$ 4,051

The Property Registry

Schedule 2

An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba

Public Sector Compensation Disclosure

(In Thousands)
Year Ended March 31, 2006

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50,000 per annum. This information is as follows:

Employee	Position	Amount
Ayotte, R.	Survey Examiner	$ 50
Barrault, K.	Programmer/Business Analyst	62
Brown, W. G.	Assistant District Registrar	50
Burtnick, P.	Acting Client Services Supervisor	51
Cass, A. B.	Survey Examiner	54
Cavers, H. G.	Project Director, Business Services	83
Cavers, R. G.	Release Manager	72
Crierie, R. F.	Manager of Acceptance	53
Crockatt, D.	Registrar, Personal Property Security	70
Davidson, R. E.	Senior Deputy District Registrar	107
Dequier, R.	Administration Officer	52
Effler, B. C.	Deputy Registrar General, District Registrar	114
Fraser, G. R. S.	Examiner of Surveys	89
Fraser, J.	Deputy District Registrar	101
Gilleta, R. C.	Acting Manager of Examinations	53
Heska, R.	Acting Client Services Supervisor	51
Hornby, C. L.	Manager of Public Services	53
Hutch, R. W.	Manager of Examinations	53
Johnston, B. G.	District Registrar	95
Johnston, W.	Survey Examiner	55
Kushniruk, J.	District Registrar	113
Lillie, G.	District Registrar	99
Lund, G. A.	Deputy Examiner of Surveys	74
Madsen, B. O.	Acting Director of Operations	58
McEachern, B. C.	Assistant Deputy Registrar	50
Pauls, I.	Database Administrator	73
Roy, A. D. J.	Acting Trainer	54
Russell, C.	District Registrar	99
Scott, G. D.	Assistant District Registrar	53
Shaw, C.	Assistant District Registrar	50
Simmonds, I.	Deputy District Registrar	84
Sims, E.	District Registrar	98
Stevenson, A.C.	Computer and Systems Coordinator	59
Strong, E.B.	Director, Finance and Systems	72
Stupak, D.	Network Administrator	56
Wilken, D. J.	Administration Officer	51
Wilson, R. M.	Registrar General and Chief Operating Officer	121

THE MANITOBA SECURITIES COMMISSION

Financial Statements

For the year ended March 31, 2006

BDO Dunwoody LLP/s.r.l.
Chartered Accountants
and Advisors

Comptables agréés
et conseillers

THE MANITOBA
SECURITIES
COMMISSION

00 St. Mary Avenue
ipeg, Manitoba
K5

4) 945.2548
4) 945.0330

The Manitoba Securities Commission's management is responsible for preparing the financial statements and other financial information in the Annual Report. These financial statements were prepared by management in accordance with Canadian Generally Accepted Accounting Principles. The financial statements include amounts that are based on management's best estimates and judgments. BDO Dunwoody, independent external auditors, audited the Commission's financial statements.

The Commission maintains accounting and internal control systems to provide reasonable assurance that its financial information is reliable and accurate and that its assets are adequately protected.

The Commission's management meets regularly to review the financial statements and accounting practices. The auditors are given free and full access to management, if required to discuss results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

On behalf of management,

Donald G. Murray

Chair and C.E.O.

Robert B. Bouchard

Chief Administrative Officer

Marlene Nemes

Controller

TREASURY BOARD
JUN 8 2006
SECRETARIAT

May 9, 2006

THE MANITOBA SECURITIES COMMISSION

Financial Statements
For the year ended March 31, 2006

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BDO
BDO Dunwoody LLP/s.r.l.
Chartered Accountants and Advisors
Comptables agréés et conseillers

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www.bdo.ca

Auditors' Report

To The Special Operating Agencies Financing Authority:

We have audited the balance sheet of **THE MANITOBA SECURITIES COMMISSION**, An Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2006 and the statements of income, retained earnings, reserve fund and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 9, 2006

THE MANITOBA SECURITIES COMMISSION
Balance Sheet
(in thousands)

March 31	2006	2005
Assets		
Current Assets		
Cash and short-term deposits (Note 2)	$ 3,245	$ 2,863
Accounts receivable (Note 3)	16	12
Prepaid expenses	21	26
	3,282	2,901
Restricted short-term deposits (Note 4)	750	1,000
Receivable from the Province of Manitoba (Note 5)	269	269
Capital assets (Note 6)	204	286
	$ 4,505	$ 4,456
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	$ 28	$ 7
Accrued vacation entitlements (Note 7)	188	185
Accrued salaries and benefits	-	73
	216	265
Severance pay liability (Note 8)	181	172
	397	437
Commitments and contingency (Notes 9 and 12)		
Reserve Fund (Note 10)	750	1,000
Retained earnings (Page 5)	3,358	3,019
	4,108	4,019
	$ 4,505	$ 4,456

The accompanying summary of signficant accounting policies and notes are an integral part of these financial statements.

THE MANITOBA SECURITIES COMMISSION

Statement of Income

(in thousands)

For the year ended March 31		2006		2005
Revenue				
Fees	$	10,445	$	9,757
Interest		93		78
Miscellaneous		1		3
		10,539		9,838
Expenses				
Salaries and benefits		2,279		2,159
Operating expenses (Page 12)		1,052		1,023
Amortization - capital assets		119		59
		3,450		3,241
Net earnings for the year (Page 5)	$	7,089	$	6,597

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

THE MANITOBA SECURITIES COMMISSION

Statement of Retained Earnings

(in thousands)

For the year ended March 31	2006	2005
Retained earnings, beginning of year	$ 3,019	$ 3,422
Net earnings for the year (Page 4)	7,089	6,597
Disposition of surplus operating funds (Note 11)	(7,000)	(7,000)
Allocation from Reserve Fund	250	-
Retained earnings, end of year (Page 3)	$ 3,358	$ 3,019

Statement of Reserve Fund

(in thousands)

For the year ended March 31	2006	2005
Balance, beginning of year	$ 1,000	$ 1,000
Allocation to Retained Earnings	(250)	-
Balance, end of year (Page 3)	$ 750	$ 1,000

The accompanying summary of signficant accounting policies and notes are an integral part of these financial statements.

THE MANITOBA SECURITIES COMMISSION

Statement of Cash Flows

(in thousands)

For the year ended March 31	2006	2005
Cash Flows from Operating Activities		
Net earnings for the year	$ 7,089	$ 6,597
Adjustment for		
Amortization - capital assets	119	59
	7,208	6,656
Changes in non-cash working capital		
Accounts receivable	(4)	1
Prepaid expenses	5	11
Accounts payable and accrued liabilities	21	(24)
Accrued vacation entitlements	3	12
Accrued salaries and benefits	(73)	6
	(48)	6
Severance pay liability	9	18
	7,169	6,680
Cash Flows from Investing Activities		
Acquisition of capital assets	(37)	(131)
Transfer from restricted short-term deposits	250	-
	213	(131)
Cash Flows from Financing Activities		
Disposition of surplus operating funds	(7,000)	(7,000)
Net increase (decrease) in cash and cash equivalents	382	(451)
Cash and cash equivalents, beginning of year	2,863	3,314
Cash and cash equivalents, end of year	$ 3,245	$ 2,863
Supplementary information:		
Interest received	$ 88	$ 79

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

THE MANITOBA SECURITIES COMMISSION
Summary of Significant Accounting Policies

March 31, 2006

Basis of Reporting

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Capital Assets

Capital assets are recorded at cost and amortized over their estimated lives as follows:

Office equipment	20% straight-line
Furniture and fixtures	20% straight-line
Leasehold improvements	10% straight-line
Computer hardware	20% straight-line
Computer software	20% straight-line

The half-year rule is used in the year of acquisition.

Revenue Recognition

Fees and cost recoveries are recognized when received. Investment income is recorded in accordance with terms of the related investment.

Financial Instruments

The Commission's financial instruments consist of cash and short-term deposits, accounts receivable, restricted short-term deposits, amounts due from related parties, and accounts payable and accrued liabilities. It is management's opinion that the Commission is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

1. Nature of Organization

Effective April 1, 1999 the Lieutenant Governor in Council designated the The Manitoba Securities Commission as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. c.S185) by Order in Council No. 144/1999. The Order also gave approval to the Special Operating Agencies Financing Authority and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Commission, at that time, to enter into a management agreement with respect to the Commission.

The Management Agreement between the Financing Authority and the Minister of Consumer and Corporate Affairs assigns responsibility to manage the assets transferred to The Manitoba Securities Commission in delivering regulated services to clients.

2. Cash and Short-term Deposits

The Commission invests all surplus cash in short-term deposits with the Province of Manitoba, which are made up of thirty, sixty and ninety day callable term deposits.

3. Accounts Receivable

	2006	2005
Accrued interest	**$ 16**	$ 11
Trade	**-**	1
	$ 16	$ 12

4. Restricted Short-term Deposits

The Commission maintains separate short-term deposits with the Province of Manitoba to fund expenses which may arise with respect to the Reserve Fund (Note 10).

5. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is made up of vacation and severance pay entitlement earned by employees of the Commission prior to creation of the SOA as at April 1, 1999. This receivable, or portion thereof for the Commission, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Commission. The balance consists of:

	2006	2005
Vacation entitlements	**$ 117**	$ 117
Severance pay benefits	**152**	152
	$ 269	$ 269

6. Capital Assets

	2006		2005	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Office equipment	**$ 27**	**$ 24**	$ 26	$ 19
Furniture and fixtures	**135**	**123**	128	109
Leasehold improvements	**5**	**-**	113	57
Computer hardware	**122**	**118**	121	117
Computer software	**845**	**665**	822	622
	$ 1,134	**$ 930**	$ 1,210	$ 924
Cost less accumulated amortization		**$ 204**		$ 286

7. Accrued Vacation Entitlements

The Commission follows the policy of the Department of Finance to recognize the vacation entitlement liability accumulated to March 31, 1999. The liability at this date is offset by a receivable from the Province and was $117 as at March 31, 1999. Any subsequent changes to the entitlement are reflected as a current year expense to the Commission. As at March 31, 2006 there was an increase to the entitlement in the amount of $3. The accrued vacation entitlement was $188 as of March 31, 2006 (2005 - $185).

8. Severance Pay Liability

Effective April 1, 1999, the Commission began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when the actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2005. The report provides a formula to update the liability on an annual basis. The Commission's actuarially determined net liability for accounting purposes as at March 31, 2006 was $181 (2005 - $172). Commencing in the 2006 fiscal year, the actuarial loss of $7 is being amortized over the 15 year expected average remaining service life of the employee group.

9. Lease Commitment

The Commission has entered into a lease agreement commencing October 1, 2005 for rental of facilities at 400 St. Mary Avenue, which expires September 30, 2020. Occupancy charges for the year ended March 31, 2006 were $226. Minimum annual lease payments total $236 per year for each of the next five years.

10. Reserve Fund

The Commission has established a Reserve Fund to finance extraordinary expenses for isolated and unanticipated purposes that are regulatory in nature and for changes in market activity that has a negative effect on revenues. As per a Treasury Board directive, the amount of the Reserve Fund has been reduced to $750,000 in the current year.

11. Disposition of Surplus Operating Funds

The disposition of surplus operating funds consists of payments made to the Consolidated Revenue Fund of the Province of Manitoba according to Treasury Board Directives.

12. Contingency

The Commission has been named as defendant in two statements of claim. At the time of preparation of these financial statements, the outcome of these claims were undeterminable. The cost of a future settlement, if any, will be reflected as an expense in the year paid.

13. Pension Benefits

Employees of The Manitoba Securities Commission are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board (CSSB). The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the Manitoba Securities Commission, through the Civil Service Superannuation Fund (CSSF).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, The Manitoba Securities Commission transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, The Manitoba Securities Commission was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2006 was $86 (2005 - $92). Under this Agreement, the Manitoba Securities Commission has no further pension liability.

THE MANITOBA SECURITIES COMMISSION
Schedule of Operating Expenses
(in thousands)

For the year ended March 31

		2006	%		2005	%
Contract services	$	300	29	$	410	40
Premises		226	21		149	15
Office materials and supplies		111	11		69	7
Professional services		85	8		76	7
Travel		81	8		63	6
Telecommunications		63	6		59	6
CSA initiatives*		66	6		68	7
Research resources		29	3		32	3
Education/Information initiatives		47	4		51	4
Staff development		23	2		26	3
Miscellaneous		13	1		12	1
Professional membership and dues		8	1		8	1
	$	1,052	100	$	1,023	100

* Canadian Securities Administrators

THE MANITOBA SECURITIES COMMISSION
Schedule of Public Sector Compensation Disclosure
(in thousands)

For the year ended March 31, 2006

Employee	**Title**	**Compensation**
Don Murray	Chairman & CEO	$ 127
Doug Brown	Director & Secretary to the Commission	116
Bob Bouchard	Director & CAO	97
Chris Besko	Assistant Legal Counsel	97
Kim Laycock	Assistant Legal Counsel	97
Steven Gingera	Assistant Legal Counsel	97
William Baluk	Registrar	75
Wayne Bridgeman	Senior Analyst	70
Jan Banasiak	Senior Investigator	70
Marlene Nemes	Controller	69
Ainsley Cunningham	Information Officer	62
Paula White	Compliance Officer	60
Chris Kowalski	Deputy Registrar - Real Estate	59
Jason Roy	Investigator	59
Isilda Tavares	Registration Officer	59

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum.